

APPLICATION FOR INITIATIVE OR REFERENDUM PETITION SERIAL NUMBER

Secretary of State
1700 W. Washington Street, 7th Floor
Phoenix, AZ 85007

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The undersigned intends to circulate and file an INITIATIVE or a REFERENDUM (circle the appropriate word) petition and hereby makes application for the issuance of an official serial number to be printed in the lower right-hand corner of each side of each signature sheet of such petition. Pursuant to Arizona Revised Statutes § 19-111, attached hereto is the full text, in no less than eight point type, of the MEASURE or CONSTITUTIONAL AMENDMENT (circle appropriate word) intended to be INITIATED or REFERRED (circle appropriate word) at the next general election.

SUMMARY: A description of no more than one hundred words of the principal provisions of the proposed law, constitutional amendment or measure that will appear in no less than eight point type on the face of each petition signature sheet to be circulated.

For many years sovereign nations have had exclusive rights to casino gaming, creating a monopoly. That unacceptable scheme violates the individual and collective rights of many Arizonans. By permitting racetracks and private casinos to operate in Arizona, it will create thousands of permanent jobs; and will establish funding for education, organ transplants, C.P.S., Iraq/Afghanistan Veterans, Police, First Responders, Cities and Counties, along with many other vitally needed programs which are not being funded by native casinos. Also by passing this initiative all Arizonans may invest in this very lucrative enterprise. The gaming monopoly must end now.

Carl E. Nicholson

Signature of Applicant

Carl E. Nicholson

Printed Name of Applicant

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Telephone Number

ARIZONANS FOR FAIR GAMING

Name of Organization (if any)

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Carl E. Nicholson-Chairman

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Date of Application December 9, 2011

Signatures Required 172,809

Deadline for Filing July 5, 2012

Serial Number Issued I-13-2012

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Revised 11/92

CFID # 201200270

Chapter 6, Article 1, is amended by adding a new section as follows:

Chapter 6, Article 1, Section 5-605 Arizona Revised Statutes. Gambling on private land; corporate-state contracts; racetrack-state contracts; corporate casino/racetrack casino benefits fund.

A. Notwithstanding any other law, this state, through the Arizona Department of Gaming, may enter into negotiations and execute corporate/racetrack casino-state contracts with corporations domiciled in this state, pursuant to this citizen's initiative. Notwithstanding the authority granted to the Arizona Department of Gaming by this section, the state of Arizona specifically reserves all of its rights, as attributes of its inherent sovereignty, recognized by the tenth and eleventh amendments to the United States Constitution. The Arizona Department of Gaming shall not execute a corporate casino contract or racetrack casino contract which waives, abrogates or diminishes these rights.

B. Citizens of Arizona shall not waive, abrogate, or diminish their rights under Proposition 105 (1998) as it relates to the passage of this initiative.

C. Corporate/Racetrack Casino-State gaming contracts shall prohibit persons who are under twenty-one years of age from wagering on gaming activities conducted pursuant to a contract as specified in this initiative.

D. The Arizona Department of Gaming is authorized to carry out its duties and responsibilities as those duties and responsibilities involve contracts executed by the state with corporate/racetrack casinos pursuant to this voter initiative. All legal determinations involving gaming issues shall be made by the Office of the Arizona Attorney General.

E. In carrying out its duties associated with corporate/racetrack casino-state contracts, the Arizona Department of Gaming is exempt from the rule making requirements of title 41, chapter 6.

F. Corporate/Racetrack casinos that have executed contracts with the state shall pay, and the Arizona Department of Gaming shall collect their share of the regulatory costs necessary to carry out its duties, including monitoring and enforcement of this contract. The dates and methods of payment shall be as specified in the corporate/racetrack-state contracts.

G. The Corporate/Racetrack Casino Benefits Fund is established consisting of contributions received pursuant to section 5-605.01(e)(f) and other monies received pursuant to this chapter. The Arizona Department of Gaming shall administer the fund. The Director of the Arizona Department of Gaming shall make an annual report to the Governor, the President of the Senate, the Speaker of the House of Representatives, the Legislative Budget Office, and each corporate/racetrack casino which has executed a contract with the State disclosing in detail the activities of the Arizona Department of Gaming pursuant to this chapter including a full and complete statement of revenues deposited in and expenditures from The Corporate/Racetrack Casino Benefits Fund. Certain monies paid by each corporate/racetrack casino shall only be used for reimbursement of administrative and regulatory expenses incurred by the Arizona Department of Gaming pursuant to this chapter.

H. Monies deposited in The Corporate/Racetrack Casino Benefits Fund are not subject to legislative appropriation except as indicated in this initiative measure. Monies in the fund are exempt from the provisions of section 35-190 relating to lapsing of appropriations.

I. Any corporate/racetrack casino-state gaming contract that is executed pursuant to this section shall include provisions that do all of the following:

1. Establishes guidelines on automated teller machine use and on the use of credit cards or other forms of credit in gaming facilities.

2. Requires the corporate/racetrack casino owner to post at all public entrances and exits to the gaming facility signs that state that help is available if a person has a problem with gambling and the statewide toll free crisis hotline telephone number, established by the Arizona state lottery commission.

3. Prohibits gaming facility advertising and marketing that specifically appeals to minors. The provisions shall include guidelines for determining acceptable advertising and marketing practices.
4. Establishes guidelines for the effective treatment and prevention of problem and pathological gambling.
5. Establishes guidelines for voluntary ban procedures from all gaming facilities in the state, including but not limited to prohibiting the use of check cashing services, automatic teller machines, credit cards or other forms of credit offered at a gaming facility to anyone that has been banned. A third person may not request a ban on behalf of another person.
6. Prohibits the practice now implemented within sovereign nations of preferential treatment in hiring, promotions, and employee relations; to the extent this prohibition creates more diversity and fairness in the workplace.
7. Compels the corporate/racetrack casino to establish internal policies that will strictly enforce this voter mandate to intercept and withhold winnings of obligors that are delinquent in their duty to pay child support.

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AN INITIATIVE MEASURE

PROPOSING AMENDMENTS TO TITLE 5, CHAPTER 6, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 5-605 AND SECTION 5-605.01; AMENDING SECTION 5-601.02, ARIZONA REVISED STATUTES; AMENDING SECTION 15-979, ARIZONA REVISED STATUTES; AMENDING SECTION 36-2903.07, ARIZONA REVISED STATUTES; AMENDING SECTION 17-299, ARIZONA REVISED STATUTES; AMENDING SECTION 41-2306, ARIZONA REVISED STATUTES; AMENDING SECTION 41-2306, ARIZONA REVISED STATUTES; AMENDING SECTION 15-1853, ARIZONA REVISED STATUTES; AMENDING SECTION 36-774, ARIZONA REVISED STATUTES; AMENDING SECTION 41-608(A), ARIZONA REVISED STATUTES; AMENDING SECTION 8-503.01, ARIZONA REVISED STATUTES; AND AMENDING SECTION 41-1505.12, ARIZONA REVISED STATUTES.

TITLE

Section 1. Title. This statute shall be known as the "Arizona Fair Gaming Act."

TEXT OF PROPOSED STATUTE

Be it enacted by the qualified electorate of the state of Arizona:

Section 2. Arizona Citizens' Mandate For Change.

Since 1984 the sovereign nations located within Arizona have had exclusive rights to casino gaming; thereby, creating a monopoly. That unacceptable scheme violates the individual and collective rights of Arizona citizens, and goes against much of what was propagated by Arizona's founders. This monopoly violates the equal protection clause of the United States Constitution. The rights of one citizen must become the rights of all citizens. Sovereign nation communities have absorbed billions of dollars from outside of their borders, with far too little capital being returned to the state and to the surrounding communities. While it is true that the sovereign communities support some jobs in the state and helps to generate some economic activity, the vast majority of their profits remains within the control of the sovereign nations and is not fairly distributed throughout the Arizona state economy. The sovereign nations and the members residing therein pay no state income taxes, or property, sales, hotel, or other use taxes; which creates an unfair competitive edge over other similar businesses, not otherwise entitled to such "windfall profits". By permitting racetrack owners to engage in a venture they have been unfairly deprived of for far too long, will help to spur the Arizona economy by sustaining many jobs that now appear to be threatened by the current downturn in the economy. The passage of this initiative provides the opportunity for the racetrack casino to expand its existing workforce as a result of the incalculable opportunities related to gaming. By allowing outside corporate casinos to conduct business in Arizona they, too, will create thousands of permanent jobs; and together their enterprises will help increase property values throughout the state; improve tourism; investment; and state revenues. Among other things, these partnerships will enrich funding for primary, secondary, and post-secondary education; and will augment prosperity for the people of Arizona in a variety of different ways. The number of state programs that will be enhanced, thereby, increasing the direct benefit to the people of Arizona as the result of the passage of this initiative far exceeds the minimal gain that may arise from the unacceptable monopolization of gaming by the sovereign enterprises, alone. This initiative, also, allows for the immediate personal financial investment in this newly regulated form of gaming by any Arizona resident, wishing to do so, as a means to supplement their income or investment

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portfolio, along with providing an opportunity to leave a lasting financial legacy to their loved ones, and to their favorite charity.

Section 3. Title 5, Chapter 6, Article 1, Arizona Revised Statutes, is amended by adding a new section 5-605.01 as follows:

SECTION 5-605.01. NEW REGULATED FORM OF CORPORATE AND RACETRACK CASINO GAMBLING; STATE GAMING CONTRACTS; RESULTS OF PROCESS.

A. NOTWITHSTANDING ANY OTHER LAW, WITHIN SEVEN (7) DAYS OF THE CERTIFICATION OF THE VOTE BY THE ARIZONA SECRETARY OF STATE OF THE QUALIFIED ELECTORATE AT THE ARIZONA GENERAL ELECTION HELD ON NOVEMBER 6, 2012, THE ARIZONA DEPARTMENT OF GAMING SHALL BEGIN FINALIZING CONTRACTS WITH PRIVATE, QUALIFIED CORPORATIONS AND RACETRACKS THAT WISH TO ENGAGE IN LEGALIZED GAMING IN ARIZONA.

B. THE ARIZONA DEPARTMENT OF GAMING SHALL ENTER INTO A CONTRACT WITH A CORPORATION OR RACETRACK ONLY WHEN ALL TERMS OF THIS INITIATIVE HAVE BEEN AGREED TO, AND ALL PREPARATIONS FOR THE IMMEDIATE START OF BUSINESS HAS BEEN ASSURED TO THE SATISFACTION OF THE DIRECTOR OF THE ARIZONA DEPARTMENT OF GAMING.

1. NOTWITHSTANDING ANY OTHER LAW, A CORPORATE CASINO AND A RACETRACK CASINO MAY CONDUCT THE FOLLOWING FORMS OF REGULATED GAMBLING, AS DEFINED IN SECTION 13-3301 IF THE GAMBLING IS CONDUCTED IN ACCORDANCE WITH THE TERMS OF THE CORPORATE CASINO AND RACETRACK CASINO-STATE GAMING CONTRACT. LEGALIZED GAMBLING IS LIMITED TO GAMING DEVICES (SLOTS), KENO, OFF-TRACK PARA-MUTUEL WAGERING, PARA-MUTUEL WAGERING ON HORSE RACING, PARA-MUTUEL WAGERING ON DOG RACING, LOTTERY, BLACKJACK, POKER (INCLUDING JACKPOT POKER); ADDITIONAL TABLE GAMES THAT INCLUDES BACCARAT, CRAPS/DICE, AND ROULETTE; AND REGULATED BINGO. CORPORATE/RACETRACK CASINO OPERATORS SHALL MAKE AVAILABLE TO PATRONS ALL ARIZONA STATE LOTTERY PRODUCTS, AT THE TIMES PROVIDED BY LOTTERY RULES AND STATE LAW.

C. THE CORPORATE/RACETRACK CASINO BENEFITS FUND IS ESTABLISHED CONSISTING OF CONTRIBUTIONS PAID TO THE STATE BY CORPORATE CASINOS AND RACETRACK CASINOS LICENSED TO OPERATE GAMING DEVICES; ALONG WITH INTEREST EARNED ON THOSE FUNDS. CORPORATE CASINO AND RACETRACK CASINO CONTRIBUTIONS PAID TO THE STATE SHALL BE DEPOSITED IN THE CORPORATE/RACETRACK CASINO BENEFITS FUND.

D. THE ARIZONA DEPARTMENT OF GAMING SHALL ADMINISTER THE CORPORATE/RACETRACK CASINO BENEFITS FUND AND SHALL MAKE AN ANNUAL REPORT TO THE GOVERNOR, THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, THE JOINT LEGISLATIVE BUDGET COMMITTEE; AND EACH CORPORATE CASINO AND RACETRACK CASINO WITHIN THIRTY (30) DAYS AFTER THE END OF THE STATE'S FISCAL YEAR. THIS REPORT SHALL BE SEPARATE FROM ANY OTHER REPORT OF THE ARIZONA DEPARTMENT OF GAMING. THE REPORT SHALL INCLUDE (I) A STATEMENT OF AGGREGATE GROSS GAMING REVENUE EARNED FOR ALL ARIZONA CORPORATE CASINOS AND RACETRACK CASINOS, (II) AGGREGATE REVENUES DEPOSITED IN THE FUND, INCLUDING INTEREST ON CONTRIBUTIONS THERE ON, (III) EXPENDITURES MADE FROM THE FUND, INCLUDING ADMINISTRATION COST AND (IV) AGGREGATE AMOUNTS CONTRIBUTED BY ALL CORPORATE AND RACETRACK CASINOS TO CITIES, TOWNS AND COUNTIES. THE ARIZONA DEPARTMENT OF GAMING SHALL (V) PROVIDE A COPY OF THIS REPORT TO THE SECRETARY OF STATE AND THE DIRECTOR OF THE ARIZONA STATE LIBRARY, ARCHIVES AND PUBLIC RECORDS. THE ARIZONA DEPARTMENT OF GAMING SHALL (VI) PROVIDE AN ADDITIONAL REPORT THAT SHOWS ALL INDIVIDUAL CONTRIBUTIONS MADE BY EACH CORPORATE CASINO AND RACETRACK CASINO TO THE FUND. THIS REPORT SHALL (VII) REMAIN CONFIDENTIAL AND SHALL NOT BE MADE AVAILABLE TO NON-ELECTED PUBLIC OFFICIALS IF THE CORPORATE CASINO OR RACETRACK CASINO MAKES SUCH A REQUEST IN

WRITING. IN FURTHERANCE OF TRANSPARENCY THE ARIZONA DEPARTMENT OF GAMING SHALL PROVIDE CORPORATE AND RACETRACK CASINOS OFFICIAL REQUESTS FORMS AT OR NEAR THE END OF EACH FISCAL YEAR.

(E) THE ARIZONA [CORPORATE] CASINO SHALL CONTRIBUTE FOR THE BENEFIT OF THE PUBLIC A PERCENTAGE OF THE CASINO'S CLASS III NET WIN EACH FISCAL YEAR OF THE GAMING FACILITY'S OPERATIONS AS FOLLOWS:

1. TWO PERCENT OF THE FIRST TWENTY-FIVE MILLION DOLLARS;
2. SIX PERCENT OF THE NEXT FIFTY-MILLION DOLLARS;
3. TWELVE PERCENT OF THE NEXT TWENTY-FIVE MILLION DOLLARS; AND
4. SIXTEEN PERCENT OF ALL CLASS III NET WIN IN EXCESS OF ONE-HUNDRED MILLION DOLLARS.

(F) THE ARIZONA [RACETRACK] CASINO SHALL CONTRIBUTE FOR THE BENEFIT OF THE PUBLIC A PERCENTAGE OF THE CASINO'S CLASS III NET WIN EACH FISCAL YEAR OF THE GAMING FACILITY'S OPERATIONS AS FOLLOWS:

1. TWO PERCENT OF THE FIRST TWENTY-FIVE MILLION DOLLARS;
2. SIX PERCENT OF THE NEXT FIFTY-MILLION DOLLARS;
3. TWELVE PERCENT OF THE NEXT TWENTY-FIVE MILLION DOLLARS; AND
4. SIXTEEN PERCENT OF ALL CLASS III NET WIN IN EXCESS OF ONE-HUNDRED MILLION DOLLARS

(G) THE DEPOSIT OF ALL MONIES REQUIRED BY THIS ACT SHALL BE MADE ON A QUARTERLY BASIS.

(H) MONIES DEPOSITED IN THE CORPORATE/RACETRACK CASINO BENEFITS FUND CONTRIBUTED TO BY ALL [CORPORATE CASINOS] INCLUDING ALL FUND INVESTMENT EARNINGS SHALL BE ALLOCATED AS FOLLOWS:

(1) TEN PERCENT SHALL BE USED FOR REIMBURSEMENT OF ADMINISTRATIVE AND REGULATORY EXPENSES, INCLUDING EXPENSES FOR DEVELOPMENT OF AND ACCESS TO ANY ONLINE ELECTRONIC GAME MANAGEMENT SYSTEM AND FOR LAW ENFORCEMENT ACTIVITIES INCURRED BY THE ARIZONA DEPARTMENT OF GAMING PURSUANT TO THIS CHAPTER. ANY FUNDS THAT ARE ALLOCATED PURSUANT TO THIS SUBSECTION THAT ARE NOT APPROPRIATED TO THE ARIZONA DEPARTMENT OF GAMING AT THE END OF EVERY TWO SUCCESSIVE FISCAL YEARS SHALL BE DEPOSITED IN THE STATE GENERAL FUND.

(2) TEN PERCENT SHALL BE DEPOSITED IN THE INSTRUCTIONAL IMPROVEMENT FUND ESTABLISHED BY A.R.S. 15-978 IN A SEPARATE ACCOUNT FROM THAT PURSUANT TO A.R.S. SECTIONS 5-601.02(H)(3)(A)(I) AND 506.01.02(H)(3)(B)(I). THE FUNDS SHALL BE USED BY SCHOOL DISTRICTS FOR CLASSROOM SIZE REDUCTION, TEACHER SALARY INCREASES, DROPOUT PREVENTION PROGRAMS AND INSTRUCTIONAL IMPROVEMENT PROGRAMS.

(3) TWO PERCENT SHALL BE USED BY THE ARIZONA DEPARTMENT OF GAMING TO FUND STATE AND LOCAL PROGRAMS FOR THE PREVENTION AND TREATMENT OF, AND EDUCATION CONCERNING, PROBLEM GAMBLING.

(4) TEN PERCENT SHALL BE DEPOSITED IN THE TRAUMA AND EMERGENCY SERVICES FUND ESTABLISHED BY SECTION 36-2903.07; IN A SEPARATE ACCOUNT FROM THAT PURSUANT TO SECTION 5-601.02(H)(3)(B)(II).

(5) FIVE PERCENT SHALL BE DEPOSITED IN THE ARIZONA WILDLIFE CONSERVATION FUND ESTABLISHED BY SECTION 17-299, IN A SEPARATE ACCOUNT FROM THAT PURSUANT TO SECTION 5-601.02.

(6) TEN PERCENT SHALL BE DEPOSITED IN THE TOURISM FUND ACCOUNT ESTABLISHED BY PARAGRAPH 4 OF SUBSECTION 41-2036 FOR STATEWIDE TOURISM PROMOTION, IN A SEPARATE ACCOUNT FROM THAT ESTABLISHED BY SECTION 5-601.02(H)(3)(B)(IV).

(7) THE ARIZONA COLLEGE SCHOLARSHIP FUND IS ESTABLISHED PURSUANT TO SECTION 15-1853.

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(A) TWENTY PERCENT SHALL BE DEPOSITED IN THE ARIZONA COLLEGE SCHOLARSHIP FUND. THE FUND SHALL PAY TUITION COST TO STATE RUN UNIVERSITIES AND COMMUNITY COLLEGES FOR QUALIFYING RESIDENTS OF THE STATE WHO GRADUATE FROM PUBLIC OR PRIVATE HIGH SCHOOLS OR COMMUNITY COLLEGES.

(1) NINETY-NINE PERCENT OF ALL MONIES COLLECTED PURSUANT TO THIS SUBSECTION SHALL BE ALLOCATED TO THE DEPARTMENT OF EDUCATION FOR DISTRIBUTION TO COMMUNITY COLLEGES AND STATE RUN UNIVERSITIES FOR TUITION COST.

(2) ONE PERCENT OF ALL MONIES COLLECTED PURSUANT TO THIS SUBSECTION SHALL BE USED BY THE COMMISSION ON POSTSECONDARY EDUCATION FOR THE ADMINISTRATION OF THIS FUND UP TO A MAXIMUM OF TWO HUNDRED-THOUSAND DOLLARS (\$200,000.00) PER YEAR FOR REIMBURSEMENT OF EXPENSES INCURRED IN THE MANAGEMENT OF THE PROVISIONS OF THIS SECTION.

(3) IN AN EFFORT TO BENEFIT AS MANY QUALIFIED STUDENTS AS POSSIBLE THESE FUNDS SHALL COVER TWENTY-FIVE PERCENT OF TUITION COST PER ELIGIBLE STUDENT ONLY. THERE SHALL BE NO DIRECT CASH PAYMENT TO ANY QUALIFYING STUDENT. THE ARIZONA BOARD OF REGENTS SHALL ESTABLISH GUIDELINES FOR STUDENT SELECTION CRITERIA, IMPLEMENTATION, AND MANAGEMENT OF THIS FUND.

(4) MONIES DEPOSITED IN THE ARIZONA COLLEGE SCHOLARSHIP FUND ARE NOT SUBJECT TO LEGISLATIVE APPROPRIATION AND IS CONTINUOUSLY APPROPRIATED AND EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

(8) THE ARIZONA HEALTHCARE COST CONTAINMENT SYSTEM (AHCCCS) ORGAN TRANSPLANT ASSISTANCE FUND IS ESTABLISHED PURSUANT TO SECTION 36-774.

(A) TEN PERCENT SHALL BE DEPOSITED IN THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ORGAN TRANSPLANT ASSISTANCE FUND FOR THE PURPOSE OF FINANCIALLY ASSISTING ARIZONA RESIDENTS ENROLLED IN AHCCCS WHO ARE UNABLE TO AFFORD DONOR ORGAN TRANSPLANTS.

(B) THE FUND SHALL BE ADMINISTERED BY THE DIRECTOR OF THE ARIZONA HEALTHCARE COST CONTAINMENT SYSTEM.

(C) THE ARIZONA STATE LEGISLATURE MAY ESTABLISH REGULATIONS AND GUIDELINES FOR THE IMPLEMENTATION OF THIS DIRECTIVE, IF NECCESARY.

(D) THESE FUNDS ARE INTENDED TO SUPPLEMENT, NOT SUPPLANT OTHER APPROPRIATED FUNDS AND ARE NOT SUBJECT TO LEGISLATIVE APPROPRIATION, AND ARE CONTINUOUSLY APPROPRIATED.

(E) ONE HALF OF ONE PERCENT OF ALL MONIES COLLECTED SHALL BE USED TO ADMINISTER THIS FUND UP TO A MAXIMUM OF ONE-HUNDRED THOUSAND DOLLARS.

(9) SIX PERCENT OF THE FUND SHALL BE DISTRIBUTED TO THE CITY, TOWN, COUNTY OR OTHER ENTITY IN WHICH THE GAMING FACILITY CONDUCTS BUSINESS. THE FUNDS SHALL BE DISTRIBUTED DIRECTLY TO THE GENERAL FUND OF THE GOVERNMENT ENTITY. THESE FUNDS ARE NOT SUBJECT TO LEGISLATIVE APPROPRIATION AND ARE CONTINUOUSLY APPROPRIATED AND EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

(A) THERE SHALL BE NO RESTRICTIONS ON THE USE OF THESE FUNDS, EXCEPT FOR THE FOLLOWING:

(1) ONE-HALF OF ONE PER CENT OF ALL MONIES COLLECTED PURSUANT TO THIS SECTION SHALL BE USED TO DIRECTLY BENEFIT LAW ENFORCEMENT REQUIRED TO ENFORCE ALL STATE LAWS AND THOSE SPECIFICALLY RELATED TO GAMING, AND EMERGENCY FIRST RESPONDERS WITHIN THE CITY, TOWN, COUNTY OR OTHER ENTITY IN WHICH THE CORPORATE CASINO CONDUCTS BUSINESS.

(10) THREE PERCENT SHALL BE DEPOSITED IN THE CACTUS LEAGUE PROMOTION ACCOUNT PURSUANT TO SECTION 5-837, ARIZONA REVISED STATUTES.

(A) FIFTY PERCENT OF ALL MONIES COLLECTED PURSUANT TO THIS SUBSECTION SHALL BE USED FOR THE PURPOSES OF SECTION 5-808.

(B) FIFTY PERCENT OF THE MONIES COLLECTED PURSUANT TO THIS SECTION SHALL BE USED TO PROMOTE THE CACTUS LEAGUE BY PURCHASING TICKETS FOR SPECIAL NEEDS CHILDREN AND YOUNG ADULTS, ECONOMICALLY DISADVANTAGED CHILDREN, AND ALL OTHER CHILDREN THAT WISH TO ATTEND CACTUS LEAGUE BASEBALL GAMES AND THE HOME GAMES OF THE ARIZONA DIAMONDBACKS.

(C) FIFTY PERCENT OF THE MONIES COLLECTED PURSUANT TO SUBSECTION (B) SHALL BE ALLOCATED FOR THE PURCHASE OF AVAILABLE TICKETS FOR SPECIAL NEEDS CHILDREN AND YOUNG ADULTS, ALONG WITH ECONOMICALLY DISADVANTAGED CHILDREN. THE REMAINING FIFTY PERCENT OF ALLOCATED FUNDS SHALL BE USED TO PURCHASE AVAILABLE TICKETS FOR ALL CHILDREN UNDER THE AGE OF EIGHTEEN WISHING TO ATTEND CACTUS LEAGUE GAMES AND THE ARIZONA DIAMONDBACK HOME GAMES. TICKETS MAY BE TRANSFERABLE UNDER APPROVED CONDITIONS AND WITH THE CONSENT OF THE MAJORITY OF THE CACTUS LEAGUE ORGANIZATIONS.

(D) THE CACTUS LEAGUE AUTHORITY SHALL ADMINISTER THESE FUNDS.

(11) THE IRAQ/AFGHANISTAN WAR VETERANS' FINANCIAL ASSISTANCE FUND IS HEREBY ESTABLISHED. PURSUANT TO SECTION 41-608(A), THESE FUNDS SHALL BE ADMINISTERED BY THE DIRECTOR OF THE DEPARTMENT OF VETERANS' SERVICES. ALL FUNDS SHALL BE FAIRLY DISTRIBUTED TO VETERANS ACCORDING TO RULES ESTABLISHED BY THE LEGISLATURE. ADMINISTRATIVE COST SHALL NOT EXCEED ONE PERCENT OF THE TOTAL FUNDS COLLECTED. THESE FUNDS ARE NOT SUBJECT TO LEGISLATIVE APPROPRIATION AND ARE CONTINUOUSLY APPROPRIATED AND EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

(A) FIVE PERCENT SHALL BE DISTRIBUTED TO THE IRAQ/AFGHANISTAN WAR VETERANS' ASSISTANCE FUND.

(1) TEN PERCENT OF ALL MONIES COLLECTED PURSUANT TO THIS SUBSECTION SHALL BE ALLOCATED FOR FIDUCIARY SERVICES FOR ARIZONA VETERANS WHO BECOME TOO ILL TO MANAGE THEIR OWN HEALTH NEEDS OR FINANCES PURSUANT TO SECTION 41-605. THE DEPARTMENT OF VETERANS' SERVICES SHALL SERVE AS GUARDIAN OR CONSERVATOR AND SHALL ADMINISTER THE FUND.

(12) THE CHILD PROTECTIVE SERVICES, FOSTER CARE, AND ADOPTIONS FUND IS HEREBY ESTABLISHED PURSUANT TO SECTION 8-503.01

(A) THREE PERCENT (3%) SHALL BE DISTRIBUTED TO THIS FUND AND SHALL BE USED TO HIRE ADDITIONAL CASE WORKERS AND COUNSELORS THROUGHOUT ARIZONA; HELP FUND CHILD PLACEMENTS INTO FOSTER CARE, AND HELP FUND ADOPTIONS.

(B) IN AN EFFORT TO REDUCE ABORTIONS, FUNDS [MAY] BE USED TO ASSIST PREGNANT TEENAGERS WHO WISH TO TAKE THEIR PREGNANCIES TO FULL TERM. FINANCIAL ASSISTANCE MAY ALSO BE GIVEN TO ASSIST PREGNANT TEENAGERS THAT WISH TO KEEP THEIR CHILD OR DECIDE TO PLACE THAT CHILD UP FOR ADOPTION. THE STATE LEGISLATURE MAY ESTABLISH GUIDELINES FOR THE IMPLEMENTATION AND FUNDING IN THIS SUBSECTION. THE ARIZONA DEPARTMENT OF ECONOMIC SECURITY SHALL ADMINISTER THE FUND.

(13) SIX PERCENT SHALL BE DEPOSITED IN THE ARIZONA GENERAL FUND FOR REDISTRIBUTION TO CITIES, TOWNS AND COUNTIES PURSUANT TO SECTION 42-5029.

(I) NOTWITHSTANDING ANY OTHER STATUTE, MONIES IN THE CORPORATE/RACETRACK CASINO BENEFITS FUND CONTRIBUTED TO BY ALL [RACETRACK CASINOS] INCLUDING ALL FUND INVESTMENT EARNINGS SHALL BE ALLOCATED AS FOLLOWS:

(1) TEN PERCENT SHALL BE USED FOR REIMBURSEMENT OF ADMINISTRATIVE AND REGULATORY EXPENSES, INCLUDING EXPENSES FOR DEVELOPMENT OF AND ACCESS TO ANY ONLINE ELECTRONIC GAME MANAGEMENT SYSTEM AND FOR LAW ENFORCEMENT ACTIVITIES INCURRED BY THE ARIZONA DEPARTMENT OF GAMING PURSUANT TO THIS CHAPTER. ANY FUNDS THAT ARE ALLOCATED PURSUANT TO THIS SUBSECTION THAT ARE NOT APPROPRIATED TO THE ARIZONA DEPARTMENT OF GAMING AT THE END OF EVERY TWO SUCCESSIVE FISCAL YEARS SHALL BE DEPOSITED IN THE STATE GENERAL FUND.

(2) TEN PERCENT SHALL BE DEPOSITED IN THE INSTRUCTIONAL IMPROVEMENT FUND ESTABLISHED BY A.R.S. 15-978 IN A SEPARATE ACCOUNT FROM THAT PURSUANT TO A.R.S. SECTIONS 5-601.02(H)(3)(A)(I) AND 5-601.02(H)(3)(B)(I). THE FUNDS SHALL BE USED BY SCHOOL DISTRICTS FOR CLASSROOM SIZE REDUCTION, TEACHER SALARY INCREASES, DROPOUT PREVENTION PROGRAMS AND INSTRUCTIONAL IMPROVEMENT PROGRAMS.

(3) TWO PERCENT SHALL BE USED BY THE ARIZONA DEPARTMENT OF GAMING TO FUND STATE AND LOCAL PROGRAMS FOR THE PREVENTION AND TREATMENT OF, AND EDUCATION CONCERNING, PROBLEM GAMBLING.

(4) FIVE PERCENT SHALL BE DEPOSITED IN THE TRAUMA AND EMERGENCY SERVICES FUND ESTABLISHED BY SECTION 36-2903.07; IN A SEPARATE ACCOUNT FROM THAT PURSUANT TO SECTION 5-601.02 (H)(3)(B)(II).

(5) TWO AND ONE-HALF PERCENT SHALL BE DEPOSITED IN THE ARIZONA WILDLIFE CONSERVATION FUND ESTABLISHED BY SECTION 17-299, IN A SEPARATE ACCOUNT FROM THAT PURSUANT TO 5-601.02.

(6) TWO AND ONE-HALF PERCENT SHALL BE DEPOSITED IN THE TOURISM FUND ACCOUNT ESTABLISHED BY PARAGRAPH 4 OF SUBSECTION 41-2036 FOR STATEWIDE TOURISM PROMOTION, IN A SEPARATE ACCOUNT FROM THAT ESTABLISHED BY SECTION 5-601.02(H)(3)(B)(IV).

(7) THE ARIZONA COLLEGE SCHOLARSHIP FUND IS ESTABLISHED PURSUANT TO SECTION 15-1853.

(A) TWENTY PERCENT SHALL BE DEPOSITED IN THE ARIZONA COLLEGE SCHOLARSHIP FUND. THE FUND SHALL

PAY TUITION COST TO STATE RUN PUBLIC UNIVERSITIES AND COUNTY RUN COMMUNITY COLLEGES FOR QUALIFYING RESIDENTS OF THE STATE WHO GRADUATE FROM PUBLIC OR PRIVATE HIGH SCHOOLS OR COMMUNITY COLLEGES.

(1) NINETY-NINE PERCENT OF ALL MONIES COLLECTED PURSUANT TO THIS SUBSECTION SHALL BE ALLOCATED TO THE DEPARTMENT OF EDUCATION FOR DISTRIBUTION TO COMMUNITY COLLEGES AND STATE RUN UNIVERSITIES FOR TUITION COST.

(2) ONE PERCENT OF ALL MONIES COLLECTED PURSUANT TO THIS SUBSECTION SHALL BE USED BY THE COMMISSION ON POSTSECONDARY EDUCATION FOR THE ADMINISTRATION OF THIS FUND UP TO A MAXIMUM OF TWO HUNDRED-THOUSAND DOLLARS (\$200,000.00) PER YEAR FOR REIMBURSEMENT OF EXPENSES INCURRED IN THE MANAGEMENT OF THE PROVISIONS OF THIS SECTION.

(3) IN AN EFFORT TO BENEFIT AS MANY QUALIFIED STUDENTS AS POSSIBLE THESE FUNDS SHALL COVER TWENTY-FIVE PERCENT OF TUITION COST PER ELIGIBLE STUDENT ONLY. THERE SHALL BE NO DIRECT CASH PAYMENT TO ANY QUALIFYING STUDENT. THE COMMISSION FOR POSTSECONDARY EDUCATION SHALL

ESTABLISH GUIDELINES FOR THE STUDENT SELECTION CRITERIA, IMPLEMENTATION, AND MANAGEMENT OF THIS FUND.

(4) MONIES DEPOSITED IN THE ARIZONA COLLEGE SCHOLARSHIP FUND ARE NOT SUBJECT TO LEGISLATIVE APPROPRIATION AND IS CONTINUOUSLY APPROPRIATED AND EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

(8) THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ORGAN TRANSPLANT ASSISTANCE FUND IS HEREBY ESTABLISHED PURSUANT TO SECTION 36-774 FOR THE PURPOSE OF FINANCIALLY ASSISTING ARIZONA RESIDENTS ENROLLED IN AHCCCS WHO ARE UNABLE TO AFFORD DONOR ORGAN TRANSPLANTS.

(A) TEN PERCENT OF ALL MONIES COLLECTED SHALL BE DEPOSITED IN THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ORGAN TRANSPLANT ASSISTANCE FUND.

(B) THE FUND SHALL BE ADMINISTERED BY THE DIRECTOR OF THE ARIZONA HEALTHCARE COST CONTAINMENT SYSTEM.

(C) THE ARIZONA STATE LEGISLATURE MAY ESTABLISH REGULATIONS AND GUIDELINES FOR THE IMPLEMENTATION OF THIS DIRECTIVE.

(D) THESE FUNDS ARE NOT SUBJECT TO LEGISLATIVE APPROPRIATION AND ARE CONTINUOUSLY APPROPRIATED.

(E) ONE HALF OF ONE PERCENT OF ALL MONIES COLLECTED SHALL BE USED TO ADMINISTER THIS FUND UP TO A MAXIMUM OF ONE-HUNDRED THOUSAND DOLLARS.

(9) SIX PERCENT OF THE FUND SHALL BE DISTRIBUTED TO THE CITY, TOWN, COUNTY OR OTHER ENTITY IN WHICH THE GAMING FACILITY CONDUCTS BUSINESS. THE FUNDS SHALL BE DISTRIBUTED DIRECTLY TO THE GENERAL FUND OF THE GOVERNMENT ENTITY. THESE FUNDS ARE NOT SUBJECT TO LEGISLATIVE APPROPRIATION AND ARE CONTINUOUSLY APPROPRIATED AND EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

(A) THERE SHALL BE NO RESTRICTIONS ON THE USE OF THESE FUNDS, EXCEPT FOR THE FOLLOWING:

(1) ONE-HALF OF ONE PERCENT OF ALL MONIES COLLECTED PURSUANT TO THIS SECTION SHALL BE USED TO DIRECTLY BENEFIT LAW ENFORCEMENT REQUIRED TO ENFORCE ALL STATE LAWS AND THOSE SPECIFICALLY RELATED TO GAMING, AND EMERGENCY FIRST RESPONDERS WITHIN THE CITY, TOWN, COUNTY OR OTHER ENTITY IN WHICH THE RACETRACK CASINO CONDUCTS BUSINESS.

(10) THREE PERCENT SHALL BE DEPOSITED IN THE CACTUS LEAGUE PROMOTION ACCOUNT PURSUANT TO A.R.S. 5-837.

(A) FIFTY PERCENT OF ALL MONIES COLLECTED PURSUANT TO THIS SUBSECTION SHALL BE USED FOR THE PURPOSES OF SECTION 5-808.

(B) FIFTY PERCENT OF THE MONIES COLLECTED PURSUANT TO THIS SECTION SHALL BE USED TO PROMOTE THE CACTUS LEAGUE BY PURCHASING TICKETS FOR SPECIAL NEEDS CHILDREN AND YOUNG ADULTS, ECONOMICALLY DISADVANTAGED CHILDREN, AND ALL OTHER CHILDREN THAT WISH TO ATTEND CACTUS LEAGUE BASEBALL GAMES AND THE HOME GAMES OF THE ARIZONA DIAMONDBACKS.

(C) FIFTY-PERCENT OF THE MONIES COLLECTED PURSUANT TO SUBSECTION (B) SHALL BE ALLOCATED FOR AVAILABLE TICKET PURCHASES FOR SPECIAL NEEDS CHILDREN AND YOUNG ADULTS, ALONG WITH ECONOMICALLY DISADVANTAGED CHILDREN. THE REMAINING FIFTY PERCENT OF ALLOCATED FUNDS SHALL BE USED TO PURCHASE AVAILABLE TICKETS FOR ALL CHILDREN UNDER THE AGE OF EIGHTEEN WISHING TO

ATTEND CACTUS LEAGUE AND DIAMONDBACK HOME GAMES. TICKETS MAY BE TRANSFERABLE UNDER APPROVED CONDITIONS BY THE CACTUS LEAGUE ORGANIZATIONS.

(D) THE CACTUS LEAGUE AUTHORITY SHALL ADMINISTER THESE FUNDS.

(11) FIVE PERCENT SHALL BE DISTRIBUTED TO THE IRAQ/AFGHANISTAN WAR VETERANS' ASSISTANCE FUND PURSUANT TO SECTION 41-608(A).

(A) THESE FUNDS SHALL BE ADMINISTERED BY THE DIRECTOR OF THE DEPARTMENT OF VETERANS' SERVICES. ALL FUNDS SHALL BE FAIRLY DISTRIBUTED TO VETERANS ACCORDING TO RULES ESTABLISHED BY THE LEGISLATURE. ADMINISTRATIVE COST SHALL NOT EXCEED ONE PERCENT OF THE TOTAL FUNDS COLLECTED. THESE FUNDS ARE NOT SUBJECT TO LEGISLATIVE APPROPRIATION AND ARE CONTINUOUSLY APPROPRIATED AND EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

(B) TEN PERCENT OF ALL MONIES COLLECTED PURSUANT TO THIS SUBSECTION SHALL BE ALLOCATED FOR FIDUCIARY SERVICES FOR ARIZONA VETERANS WHO BECOME TOO ILL TO MANAGE THEIR OWN HEALTH NEEDS OR FINANCES PURSUANT TO SECTION 41-605. THE DEPARTMENT OF VETERANS' SERVICES SHALL SERVE AS GUARDIAN OR CONSERVATOR AND SHALL ADMINISTER THE FUND.

(12) FIVE PERCENT SHALL BE DEPOSITED IN THE CHILD PROTECTIVE SERVICES, FOSTER CARE, AND ADOPTIONS FUND PURSUANT TO SECTION 8-503.01. THIS FUND SHALL BE USED TO HIRE ADDITIONAL CASE WORKERS AND COUNSELORS THROUGHOUT ARIZONA; HELP FUND CHILD PLACEMENTS INTO FOSTER CARE, AND HELP FUND ADOPTIONS. IN AN EFFORT TO REDUCE ABORTIONS, FUNDS [MAY] ALSO BE USED TO ASSIST PREGNANT TEENAGERS WHO WISH TO TAKE THEIR PREGNANCIES TO FULL TERM. FINANCIAL ASSISTANCE MAY ALSO BE GIVEN TO ASSIST PREGNANT TEENAGERS WHO WISH TO KEEP THEIR CHILD OR DECIDE TO PLACE THAT CHILD UP FOR ADOPTION. THE STATE LEGISLATURE MAY ESTABLISH GUIDELINES FOR THE IMPLEMENTATION OF FUNDING IN THIS SUBSECTION.

(13) THREE AND ONE HALF PERCENT OF THE TOTAL AMOUNT RECEIVED PURSUANT TO THIS SECTION SHALL BE DEPOSITED IN THE CLASSROOM SITE FUND ESTABLISHED BY SECTION 15-977 IN A SEPARATE ACCOUNT TO BE USED FOR THE PURPOSE OF ESTABLISHING READING PROGRAMS FOR STUDENTS IN KINDERGARTEN PROGRAMS AND GRADES ONE THROUGH THREE.

(14) TWO PERCENT SHALL BE DISTRIBUTED TO THE COMMERCE AND ECONOMIC DEVELOPMENT COMMISSION LOCAL COMMUNITIES FUND ESTABLISHED BY SECTION 41-1505.12 IN A SEPARATE ACCOUNT FOR GRANTS TO CITIES, TOWNS AND COUNTIES.

(15) SEVEN PERCENT SHALL BE DEPOSITED IN THE ARIZONA GENERAL FUND FOR REDISTRIBUTION TO CITIES, TOWNS AND COUNTIES PURSUANT TO SECTION 42-5029.

(16) ONE-HALF PERCENT SHALL BE DEPOSITED IN THE RACING GREYHOUND AND RACE HORSE ADOPTION FUND.

(17) ONE AND ONE-HALF PERCENT SHALL BE DEPOSITED IN THE ARIZONA COUNTY FAIRS RACING BETTERMENT FUND.

(18) ONE AND ONE-HALF PERCENT SHALL BE DEPOSITED IN THE COUNTY FAIRS LIVESTOCK AND AGRICULTURE PROMOTION FUND.

(19) ONE-HALF PERCENT SHALL BE DEPOSITED IN THE ARIZONA BREEDERS' AWARD FUND.

(20) ONE-HALF PERCENT SHALL BE DEPOSITED IN THE ARIZONA STALLION AWARD FUND.

(21) ONE-HALF PERCENT SHALL BE DEPOSITED IN AN ACCOUNT TO SUPPLEMENT PURSES IN RACES IN WHICH ARIZONA BRED HORSES ARE WINNERS.

(22) ONE-HALF PERCENT SHALL BE DEPOSITED IN THE COUNTY FAIR RACING FUND.

(23) ONE-HALF PERCENT SHALL BE DEPOSITED IN THE AGRICULTURE CONSULTING AND TRAINING FUND.

(24) ONE-HALF PERCENT SHALL BE DEPOSITED IN THE ARIZONA EXPOSITION AND STATE FAIR FUND ESTABLISHED BY SECTION 3-1005 FOR THE PURPOSE OF CAPITAL OUTLAY.

(25) ONE PERCENT SHALL BE SUBJECT TO LEGISLATIVE APPROPRIATION TO THE ARIZONA ADMINISTRATION FOR THE ADMINISTRATION OF THE ARIZONA COUNTY FAIRS RACING BETTERMENT FUND, THE ARIZONA BREEDER'S AWARD FUND, THE ARIZONA STALLION AWARD FUND AND THE RACING GREYHOUND AND RACE HORSE ADOPTION FUND. THE ADMINISTRATIVE COST SHALL BE ALLOCATED BY THE ABOVE LISTED FUNDS IN THIS CHAPTER.

(J) THE CORPORATE/RACETRACK CASINO BENEFITS FUND. THE CORPORATE CASINO AND RACETRACK CASINO SHALL MAKE ONE HUNDRED PERCENT OF ITS TOTAL ANNUAL CONTRIBUTION UNDER SUBSECTIONS (E) (F) AND (G), TO THE ARIZONA DEPARTMENT OF GAMING. THE CORPORATE/RACETRACK CASINO BENEFITS FUND SHALL BE USED FOR THE PURPOSE OF ADMINISTERING THE CONTRIBUTIONS MADE BY CORPORATE CASINOS AND RACETRACK CASINOS TO THE STATE. ALL CONTRIBUTIONS TO THE STATE FROM EACH CORPORATE CASINO AND RACETRACK CASINO PURSUANT TO THIS SUBSECTION SHALL BE DEPOSITED IN THE ARIZONA CORPORATE CASINO AND RACETRACK CASINO BENEFITS FUND ADMINISTERED BY THE ARIZONA DEPARTMENT OF GAMING.

(K) THE CORPORATE/RACETRACK CASINO BENEFITS FUND IS NOT SUBJECT TO APPROPRIATION, AND EXPENDITURES FROM THE FUND ARE NOT SUBJECT TO OUTSIDE APPROVAL NOTWITHSTANDING ANY STATUTORY PROVISION TO THE CONTRARY. THE FUNDS SHALL BE EXPENDED ONLY AS PROVIDED IN THIS SECTION, AND SHALL NOT REVERT TO ANY OTHER FUND, INCLUDING THE STATE GENERAL FUND EXCEPT AS FOLLOWS:

(1) UPON THE ONE YEAR ANNIVERSARY OF THE OPENING OF EACH INDIVIDUALLY LICENSED CORPORATE CASINO AND RACETRACK CASINO; AND FOLLOWING AT LEAST ONE PUBLIC HEARING, THE ARIZONA STATE LEGISLATURE MAY, WITHOUT APPROVAL OF THE ELECTORATE, WITH A SIMPLE MAJORITY VOTE ELECT TO BORROW UP TO FIFTY PERCENT OF SPECIFIED REVENUE THE CASINO CONTRIBUTED TO THE CORPORATE/RACETRACK CASINO BENEFITS FUND; FOR AN UNINTERRUPTED PERIOD OF 2 YEARS, AT ZERO PER CENT INTEREST.

(2) WHEN THE BILL IS PASSED BY THE LEGISLATURE AND SIGNED BY THE GOVERNOR, THE STATE TREASURER SHALL TRANSFER THOSE PROCEEDS TO THE ARIZONA GENERAL FUND WITHIN THIRTY DAYS OR EARLIER AS SPECIFIED BY THE LEGISLATIVE ACTION.

(3) IN THE EVENT THE GOVERNOR VETOS THE BILL, A TWO-THIRDS MAJORITY VOTE SHALL BE REQUIRED IN BOTH HOUSES TO OVERRIDE THE VETO, AND FOR THE FUNDS TO TRANSFER FROM THE STATE TREASURY TO THE ARIZONA GENERAL FUND WITHOUT THE GOVERNOR'S SIGNATURE.

(4) FOR THE BENEFIT OF PUBLIC DISCLOSURE, THE BILL'S TITLE MUST CONTAIN THE CORPORATE NAME OF THE CASINO FROM WHICH THE FUNDS WILL BE REALLOCATED.

(5) ALL MONIES MUST BE REPAYED TO THE STATE TREASURY FOR REDISTRIBUTION BEFORE THE NAMED CASINO'S CONTRIBUTIONS MAY BE SUBSEQUENTLY REALLOCATED.

(6) ALL FUNDS MUST BE REPAYED BY THE END OF THREE FISCAL YEARS FROM THE TIME OF THE INITIAL LOAN.

(L) LEGISLATIVE REAPPROPTION OF THE CORPORATE CASINO AND RACETRACK CASINO BENEFITS FUND.

(1) THE ARIZONA STATE LEGISLATURE MAY VOTE TO REAPPROPRIATE UP TO FIFTY PERCENT OF CERTAIN MONIES COLLECTED AND DEPOSITED IN THE CORPORATE/RACETRACK CASINO BENEFITS FUNDS, EXCEPT FOR THE FOLLOWING FUNDS:

- (A) ADMINISTRATIVE COST ASSOCIATED WITH THE REGULATION OF GAMING BY THE ARIZONA DEPARTMENT OF GAMING;**
- (B) FUNDS FOR THE PREVENTION AND TREATMENT OF PROBLEM GAMBLING;**
- (C) AHCCCS ORGAN TRANSPLANT FINANCIAL ASSISTANCE FUND;**
- (D) TRAUMA AND EMERGENCY SERVICES FUND;**
- (E) ARIZONA COLLEGE SCHOLARSHIP FUND;**
- (F) CASINO LOCATION FUND TO CITIES, TOWNS OR, COUNTIES GENERAL FUND;**
- (G) IRAQ/AFGHANISTAN WAR VETERANS' ASSISTANCE FUND; AND**
- (H) CHILD PROTECTIVE SERVICES, FOSTER CARE, AND ADOPTIONS FUND.**

(M) FUND INVESTMENTS. THE STATE TREASURER MAY INVEST MONIES IN THE CORPORATE/RACETRACK CASINO BENEFITS FUND IN ACCORDANCE WITH A.R.S. SECTION 35-313; AND MONIES EARNED FROM SUCH INVESTMENT SHALL ONLY BE CREDITED TO THE CORPORATE/RACETRACK CASINO BENEFITS FUND. ALL CONTRIBUTIONS PAID TO THE ARIZONA DEPARTMENT OF GAMING BY EACH ARIZONA CORPORATE CASINO AND RACETRACK CASINO SHALL ONLY BE DESTRIUTED AS PROVIDED IN SECTION 5-605.1(H)(1-13); AND SECTION 5-605.1(I)(1-25); AS ADOPTED BY THE PEOPLE OF THE STATE OF ARIZONA AT THE NOVEMBER 06, 2012 ELECTION. THE STATE SHALL IMPOSE ALL OTHER MUNICIPAL, COUNTY, AND STATE TAXES, FEES, AND OTHER ASSESSMENTS UPON THE ARIZONA CORPORATE CASINO AND RACETRACK CASINO EXCEPT THAT THE ARIZONA INCOME TAX FOR EACH CORPORATE CASINO AND RACETRACK CASINO SHALL BE REDUCED BY FIFTY PERCENT (50%) FOR THE FIRST FIVE YEARS OF CONTINUOUS OPERATION. AT THE END OF THE CORPORATE/RACETRACK CASINOS' "TAX HOLIDAY", THE INCOME TAX SHALL REVERT TO THE PREVAILING STATE INCOME TAX LEVIED FOR OTHER ARIZONA BASED CORPORATIONS.

(N) AT THE TIME EACH QUARTERLY CONTRIBUTION IS MADE, THE COPORATE CASINO AND RACETRACK CASINO SHALL SUBMIT TO THE ARIZONA DEPARTMENT OF GAMING A REPORT INDICATING THE CLASS III NET WIN BY GAMING ACTIVITY FOR THE QUARTER, AND THE AMOUNTS PAID UNDER SECTIONS (3)(E) AND (F).

(O) THE FIRST QUARTERLY CONTRIBUTION FROM THE CORPORATE CASINO AND RACETRACK CASINO SHALL BE CALCULATED BASED ON THE CASINO'S CLASS III NET WINS FOR THE FIRST FISCAL QUARTER AFTER THE CASINO'S FIRST DAY OF OPERATION.

(P) FOLLOWING THE ARIZONA DEPARTMENT OF GAMING'S RECEIPT OF THE ANNUAL AUDIT ANY OVER PAYMENT OF MONIES BY THE CORPORATE CASINO OR RACETRACK CASINO PURSUANT TO THIS SECTION SHALL BE CREDITED TO THE CORPORATE CASINO'S OR RACETRACK CASINO'S NEXT QUARTERLY CONTRIBUTION. ANY UNDER PAYMENT OF MONIES SHALL BE PAID BY THE CORPORATE /RACETRACK CASINO WITHIN THIRTY DAYS OF THE ARIZONA DEPARTMENT OF GAMING'S RECEIPT OF THE ANNUAL AUDIT.

(Q) THE CITIZENS' SELECTION COMMITTEE ("COMMITTEE") SHALL MAKE BINDING RECOMMENDATIONS TO THE ARIZONA DEPARTMENT OF GAMING AS TO WHICH CASINO OR RACETRACK CASINO OPERATION SHOULD BE PERMITTED TO CONDUCT A GAMING ENTERPRISE WITHIN ARIZONA. AMONG OTHER ISSUES, THE CRITERIA TO BE ADHERED TO IN DECIDING WHICH GAMING ORGANIZATION SHALL BE REWARDED A CONTRACT SHALL INCLUDE THE COMPANIES SOLVENCY, REPUTATION, AND EFFORT(S) EXPENDED BY THE GAMING CANDIDATE ASSISTING IN THE PASSAGE OF THIS CITIZENS' INITIATIVE. WHEN THE COMMITTEE

OFFICIALLY SUBMITS ITS RECOMMENDATIONS TO THE ARIZONA DEPARTMENT OF GAMING THE PROCESS OF LICENSING SHALL BEGIN, IMMEDIATELY. THE ARIZONA DEPARTMENT OF GAMING SHALL NOT CONSIDER A GAMING LICENSE FOR ANY ENTERPRISE THAT HAS NOT RECEIVED A WRITTEN ENDORSEMENT FROM THE CITIZENS' SELECTION COMMITTEE. THE ARIZONA DEPARTMENT OF GAMING SHALL WAIVE ANY LICENSE FEE; BUT INSTEAD MAY CHARGE A NOMINAL FEE FOR A BACKGROUND INVESTIGATION OF THE ORGANIZATION. THE ARIZONA DEPARTMENT OF GAMING SHALL CHARGE A CONTRACT FEE OF TEN-THOUSAND DOLLARS WHICH MUST BE PAID IN FULL AT THE TIME THE CONTRACT IS SIGNED; AND AT EACH SUBSEQUENT CONTRACT SIGNING.

SECTION 4. NATURE, SIZE, AND CONDUCT OF CLASS III GAMING.

(A) SUBJECT TO THE TERMS AND CONDITIONS OF THIS CONTRACT, THE CORPORATE CASINO AND RACETRACK CASINO IS AUTHORIZED TO OPERATE THE FOLLOWING GAMING ACTIVITIES: (1) CLASS III GAMING DEVICES, (2) CLASS II GAMING DEVICES (3) CLASS I GAMING DEVICES (4) BLACKJACK, (5) JACKPOT POKER, (6) KENO, (7) LOTTERY, (8) OFF-TRACK PARI-MUTUEL WAGERING, (9) PARI-MUTUEL WAGERING ON HORSE RACING, AND (10) PARI-MUTUEL WAGERING ON DOG RACING AND (11) THE ADDITIONAL GAMING TABLE GAMES OF BACCARAT, DICE/CRAPS, AND ROULETTE.

(B) APPENDICES GOVERNING GAMING.

(1) TECHNICAL STANDARDS FOR GAMING DEVICES. THE CORPORATE/RACETRACK CASINO MAY ONLY OPERATE CLASS III GAMING DEVICES, INCLUDING MULTI-STATION DEVICES, WHICH COMPLY WITH THE TECHNICAL STANDARDS SET FORTH IN THIS STATUTE. THE CASINO GAMING OFFICE SHALL REQUIRE EACH LICENSED AND CERTIFIED MANUFACTURER AND DISTRIBUTOR TO VERIFY UNDER OATH, ON FORMS PROVIDED BY THE CASINO GAMING OFFICE, THAT THE CLASS III GAMING DEVICES MANUFACTURED OR DISTRIBUTED BY THEM FOR USE OR PLAY AT THE GAMING FACILITY MEETS THE REQUIREMENTS OF THIS SECTION. THE CASINO GAMING OFFICE AND THE ARIZONA DEPARTMENT OF GAMING BY MUTUAL AGREEMENT MAY REQUIRE THE TESTING OF ANY CLASS III GAMING DEVICE TO ENSURE COMPLIANCE WITH THE REQUIREMENTS OF THIS SECTION. ANY SUCH TESTING SHALL BE AT THE EXPENSE OF THE LICENSED MANUFACTURER OR DISTRIBUTOR.

(C) OPERATIONAL STANDARDS FOR BLACKJACK, JACKPOT POKER, BACCARAT, DICE/CRAPS, AND ROULETTE. THE CASINO SHALL CONDUCT BLACKJACK AND JACKPOT POKER, BACCARAT, DICE/CRAPS, AND ROULETTE IN ACCORDANCE WITH AN APPENDIX, WHICH SHALL CONSIST OF THE MINIMUM INTERNAL CONTROL STANDARDS OF THE ARIZONA DEPARTMENT OF GAMING AND MAY BE AMENDED FROM TIME TO TIME.

(D) ADDITIONAL APPENDICES.

(1) THE CASINO MAY NOT CONDUCT ANY GAMING ACTIVITIES AUTHORIZED IN THIS CONTRACT WITHOUT A MUTUALLY AGREED-UPON APPENDIX SETTING FORTH THE OPERATIONAL STANDARDS, SPECIFICATIONS, REGULATIONS, AND ANY LIMITATIONS GOVERNING SUCH GAMING ACTIVITIES. FOR PURPOSES OF THIS SUBSECTION, PROMOTIONAL ACTIVITY CONDUCTED AS A LOTTERY IS A GAMING ACTIVITY FOR WHICH AN APPENDIX SHALL BE REQUIRED.

(2) THE GAMING FACILITY OPERATOR SHALL CONDUCT ITS GAMING ACTIVITIES UNDER AN INTERNAL CONTROL SYSTEM THAT IMPLEMENTS THE MINIMUM INTERNAL CONTROL STANDARDS.

(3) THE CASINO GAMING OFFICE AND THE ARIZONA DEPARTMENT OF GAMING MAY AGREE TO AMEND APPENDICES TO THIS CONTRACT IN ORDER TO MAINTAIN EFFICIENT AND SUFFICIENT REGULATION AND

ADDRESS FUTURE CIRCUMSTANCES. A CHANGE IN AN APPENDIX OR THE ADDITION OF A NEW APPENDIX SHALL NOT BE CONSIDERED AN AMENDMENT TO THIS CONTRACT.

(E) SECURITY AND SURVEILLANCE REQUIREMENTS. THE CASINO SHALL COMPLY WITH THE SECURITY AND SURVEILLANCE REQUIREMENTS SET FORTH BY THE ARIZONA DEPARTMENT OF GAMING.

(1) IF THE GAMING FACILITY OPERATOR OPERATES THE SURVEILLANCE SYSTEM, THE MANAGER OF THE SURVEILLANCE DEPARTMENT MAY REPORT TO MANAGEMENT OF THE GAMING FACILITY OPERATOR REGARDING ADMINISTRATIVE AND DAILY MATTERS, BUT MUST REPORT TO A PERSON OR PERSONS INDEPENDENT OF THE MANAGEMENT OF THE GAMING FACILITY OPERATOR (E.G., THE GAMING FACILITY OPERATOR'S MANAGEMENT BOARD OR A COMMITTEE THEREOF, OR THE CASINO'S CHAIRPERSON, OR PRESIDENT), REGARDING MATTERS OF POLICY, PURPOSE, RESPONSIBILITY, AUTHORITY, AND INTEGRITY OF CASINO MANAGEMENT.

(2) IF THE CASINO GAMING OFFICE OPERATES THE SURVEILLANCE SYSTEM, THE MANAGER OF ITS SURVEILLANCE DEPARTMENT MUST REPORT DIRECTLY TO THE EXECUTIVE DIRECTOR OF THE CASINO GAMING OFFICE.

(3) IF THE SURVEILLANCE SYSTEM IS OPERATED BY AN OUTSIDE CONTRACTOR, THE SURVEILLANCE MANAGER MUST REPORT TO THE GAMING FACILITY OPERATOR'S MANAGEMENT BOARD OR A COMMITTEE THEREOF, OR THE CASINO'S CHAIRPERSON, OR PRESIDENT), REGARDING MATTERS OF POLICY, PURPOSE, RESPONSIBILITY, AUTHORITY, AND INTEGRITY OF CASINO MANAGEMENT.

(F) ONLINE ELECTRONIC GAME MANAGEMENT SYSTEM.

(1) EACH GAMING FACILITY MUST HAVE AN ONLINE ELECTRONIC GAME MANAGEMENT SYSTEM THAT MEETS THE REQUIREMENTS OF THE ARIZONA DEPARTMENT OF GAMING.

(2) THE ARIZONA DEPARTMENT OF GAMING'S REAL TIME READ-ONLY ELECTRONIC ACCESS SHALL BE LIMITED TO THE FOLLOWING DATA MAINTAINED BY THE ONLINE ELECTRONIC GAME MANAGEMENT SYSTEM, PROVIDED THAT THE DATA IS AVAILABLE IN REAL-TIME AND PROVIDING REAL-TIME ACCESS DOES NOT RESULT IN THE LOSS OF ACCUMULATION OF DATA ELEMENTS: COIN IN; COIN OUT; DROP (BILLS AND COINS); INDIVIDUAL BILLS DENOMINATION; VOUCHERS; THEORETICAL HOLD; VARIANCES; JACKPOTS; MACHINE FILLS; TICKET IN; TICKET OUT; SLOT DOOR OPENING; DROP DOOR OPENING; CASH BOX OPENING; TICKET IN OPENING; TICKET OUT OPENING; AND NO-COMMUNICATION. IF PROVIDING THIS DATA IN REAL-TIME WOULD RESULT IN THE LOSS OF ACCUMULATION OF DATA ELEMENTS, THE GAMING FACILITY OPERATOR MUST PROVIDE THE ARIZONA DEPARTMENT OF GAMING WITH ACCESS TO THE DATA VIA END-OF-DAY REPORTS CONTAINING THE REQUIRED DATA.

(3) THE ARIZONA DEPARTMENT OF GAMING SHALL PHASE IN THE SYSTEM TO PROVIDE IT WITH REAL TIME READ-ONLY ACCESS TO THE ONLINE ELECTRONIC GAME MANAGEMENT SYSTEM OVER A ONE YEAR PERIOD. THE ARIZONA DEPARTMENT OF GAMING SHALL PAY THE COST OF:

(A) CONSTRUCTING AND MAINTAINING A DEDICATED TELECOMMUNICATIONS CONNECTION BETWEEN THE GAMING FACILITY OPERATORS' SERVER ROOMS AND THE DEPARTMENT OF GAMING'S OFFICES;

(B) OBTAINING, INSTALLING, AND MAINTAINING ANY HARDWARE OR SOFTWARE NECESSARY TO INTERFACE BETWEEN THE GAMING FACILITY OPERATOR'S ONLINE ELECTRONIC GAME MANAGEMENT SYSTEM AND THE DEDICATED TELECOMMUNICATIONS CONNECTION; AND

(C) OBTAINING, INSTALLING, AND MAINTAINING ANY HARDWARE OR SOFTWARE REQUIRED IN THE ARIZONA DEPARTMENT OF GAMING'S OFFICES.

(D) THE ARIZONA DEPARTMENT OF GAMING'S DEDICATED TELECOMMUNICATIONS CONNECTION FROM ITS OFFICES TO EACH GAMING FACILITY MUST MEET ACCEPTED INDUSTRY STANDARDS FOR SECURITY SUFFICIENT TO MINIMIZE THE POSSIBILITY OF ANY THIRD-PARTY INTERCEPTING ANY DATA TRANSMITTED FROM THE GAMING FACILITY OPERATOR'S ONLINE ELECTRONIC GAME MANAGEMENT SYSTEM OVER THE CONNECTION. THE ARIZONA DEPARTMENT OF GAMING'S SECURITY SYSTEM POLICY MUST MEET ACCEPTED INDUSTRY STANDARDS TO ASSURE THAT DATA RECEIVED FROM THE GAMING FACILITY OPERATOR'S ONLINE ELECTRONIC GAME MANAGEMENT SYSTEM WILL NOT BE ACCESSIBLE TO UNAUTHORIZED PERSONS OR ENTITIES.

(4) THE ARIZONA DEPARTMENT OF GAMING (AND ITS OFFICERS, EMPLOYEES, AND AGENTS) ARE PROHIBITED FROM:

(A) USING ANY INFORMATION OBTAINED FROM THE GAMING FACILITY OPERATOR'S ONLINE ELECTRONIC GAME MANAGEMENT SYSTEM FOR ANY PURPOSE OTHER THAN TO CARRY OUT ITS DUTIES UNDER THIS CONTRACT; AND

(B) DISCLOSING ANY INFORMATION OBTAINED FROM THE GAMING FACILITY OPERATOR'S ONLINE ELECTRONIC GAME MANAGEMENT SYSTEM TO ANY PERSON OUTSIDE THE ARIZONA DEPARTMENT OF GAMING.

(G) NUMBER OF GAMING DEVICE OPERATING RIGHTS AND NUMBER OF GAMING FACILITIES.

(1) NUMBER OF GAMING DEVICES. THE CASINO'S GAMING DEVICE OPERATING RIGHTS ARE EQUAL TO THE SUM OF ITS GAMING DEVICE ALLOCATION, PLUS ANY RIGHTS TO OPERATE ADDITIONAL GAMING DEVICES ACQUIRED BY THE CASINO IN ACCORDANCE WITH AND SUBJECT TO THE PROVISIONS OF ANY TRANSFER AGREEMENTS. THE CASINO MAY OPERATE ONE CLASS III GAMING DEVICE FOR EACH OF THE CASINO'S GAMING DEVICE OPERATING RIGHTS.

(2) CLASS II GAMING DEVICES. THE CASINO MAY OPERATE UP TO ONE-HUNDRED AND FIFTY (150) CLASS II GAMING DEVICES IN A GAMING FACILITY WITHOUT ACQUIRING GAMING DEVICE OPERATING RIGHTS.

(3) NUMBER OF GAMING FACILITIES.

(A) EACH OF THE SIX (6) RACETRACKS LOCATED IN ARIZONA (BOTH DOG TRACKS AND HORSE TRACKS) THAT HAVE BEEN IN CONTINUOUS OPERATION AT LEAST THREE (3) OF THE LAST TEN (10) YEARS MAY OPERATE UP TO ONE RACETRACK CASINO EACH. RACETRACKS THAT HAVE NOT BEEN IN CONTINUOUS OPERATION FOR THREE (3) OF THE PAST TEN (10) YEARS MAY APPLY FOR A VARIANCE THROUGH THE ARIZONA RACING COMMISSION.

THE COMMISSION SHALL USE THEIR OWN CRITERIA AND DISCRETION IN DETERMINING WHETHER A RACETRACK QUALIFIES FOR A VARIANCE. THE COMMISSION SHALL MAKE ITS DECISION INDEPENDENT OF THE ARIZONA DEPARTMENT OF GAMING. IF THE COMMISSION FAILS TO RECOMMEND A VARIANCE, THE COMMISSION SHALL STATE IN WRITING THE REASON(S) FOR THE DENIAL. THE RACETRACK MAY APPEAL THAT DECISION TO THE ARIZONA DEPARTMENT OF GAMING (FIRST); AND THEN TO THE ARIZONA ATTORNEY GENERALS OFFICE; THE LAST APPEAL SHALL BE WITH THE ARIZONA LEGISLATURE. IF THE VARIANCE (LICENSURE) IS DENIED THE MATTER SHALL BE CLOSED. THE RACETRACK MAY REAPPLY AFTER ONE YEAR, AND EACH SUBSEQUENT YEAR THEREAFTER. ALL COST ASSOCIATED WITH THE APPROVAL OR DISAPPROVAL OF A VARIANCE SHALL BE BORNE BY THE OWNER(S) OF THE RACETRACK. UPON THE FAVORABLE RECOMMENDATION OF THE RACING COMMISSION, THE ARIZONA DEPARTMENT OF GAMING SHALL APPROVE THE VARIANCE.

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(B) THE VOTERS OF ARIZONA HEREBY ALLOW CORPORATE CASINOS TO OPERATE IN THE FOLLOWING CITIES:

<u>CITY NAME</u>	<u>AUTHORIZED NUMBER OF CORPORATE CASINOS PER CITY</u>
(1) APACHE JUNCTION	ONE (1) CASINO
(2) AVONDALE OR GOODYEAR OR LITCHFIELD PARK	ONE (1) CASINO
(3) BULLHEAD CITY	TWO (2) CASINOS
(4) LAKE HAVASU CITY	ONE (1) CASINO
(5) MESA	ONE (1) CASINO
(6) PHOENIX	TWO (2) CASINOS
(7) SCOTTSDALE	ONE (1) CASINO
(8) TUCSON	ONE (1) CASINO
(9) YUMA	ONE (1) CASINO

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(C) THE VOTERS OF ARIZONA HEREBY ALLOW THE LICENSING OF CASINOS IN THE FOLLOWING CITIES
ON JANUARY 1st, 2020:

<u>CITY NAME</u>	<u>ADDITIONAL NUMBER OF AUTHORIZED CORPORATE CASINOS</u>
(10) BULLHEAD CITY	ONE (1) ADDITIONAL CASINO
(11) PEORIA	ONE (1) CASINO
(12) TUCSON	ONE (1) ADDITIONAL CASINO
(13) YUMA	ONE (1) ADDITIONAL CASINO

(D) ALL CORPORATE/RACETRACK CASINOS SHALL BE LOCATED NOT LESS THAN TEN (10) MILES APART WITHIN THE SAME MUNICIPALITY, UNLESS THAT MUNICIPALITY IS BULLHEAD CITY, OR IT IS IMPRACTICAL TO DO SO.

(H) NEGOTIATIONS FOR RENEWAL OF AN EXISTING CONTRACT, APPLICATION FOR AN AMENDMENT TO AN EXISTING CONTRACT, APPLICATION FOR LICENSE RENEWAL, OR APPLICATION FOR AN ADDITIONAL GAMING FACILITY MAY BEGIN UP TO ONE (1) YEAR PRIOR TO THE FIVE (5) YEAR ANNIVERSARY DATE THAT APPEARS ON THE CONTRACT OR THE EXPIRATION DATE THAT APPEARS ON THE STATE GAMING LICENSE. IN THE EVENT NO CONTRACT HAS BEEN SIGNED AND NO NOTICE HAS BEEN PUBLISHED BY THE ARIZONA DEPARTMENT OF GAMING THAT A LICENSE MAY BE RENEWED THIRTY (30) DAYS PRIOR TO THE EXPIRATION OF THE CONTRACT OR LICENSE THE CORPORATE/RACETRACK CASINO SHALL BE GRANTED A SIX MONTH "EXTENSION OF CONTINUATION" TO OPERATE THE GAMING FACILITY BUT ONLY IF THE ATTORNEY GENERAL APPROVES THE "EXTENSION OF CONTINUATION" WITH HIS SIGNATURE AFFIXED ON THE EXTENSION DOCUMENTS PROVIDED BY THE ARIZONA DEPARTMENT OF GAMING. (ASSISTANT ATTORNEYS GENERAL ARE PROHIBITED FROM SINGULARLY MAKING THIS DETERMINATION UNLESS THEIR TITLE IS THAT OF ACTING ATTORNEY GENERAL.)

(I) PROVEN INSOLVENCY, CRIMINAL ACTIVITY, OR GROSS VIOLATION(S) OF THIS GAMING CONTRACT WITH THE STATE OF ARIZONA SHALL BE PRIMA-FACIE GROUNDS FOR NON-RENEWAL OF A CONTRACT OR LICENSE.

(J) ABSENT PROVEN INSOLVENCY, CRIMINAL ACTIVITY, OR GROSS VIOLATION(S) OF THE GAMING CONTRACT WITH THE STATE OF ARIZONA, DETERMINATIONS MADE BY THE ARIZONA DEPARTMENT OF GAMING, THE ARIZONA ATTORNEY GENERAL, OR THE ARIZONA STATE LEGISLATURE AS THESE

(D) ALL CORPORATE/RACETRACK CASINOS SHALL BE LOCATED NOT LESS THAN TEN (10) MILES APART, WITHIN THE SAME MUNICIPALITY, UNLESS THAT MUNICIPALITY IS BULLHEAD CITY, OR IT IS IMPRACTICAL TO DO SO.

(D) ALL CORPORATE/RACETRACK CASINOS SHALL BE LOCATED NOT LESS THAN TEN (10) MILES APART, WITHIN THE SAME MUNICIPALITY, UNLESS THAT MUNICIPALITY IS BULLHEAD CITY, OR IT IS IMPRACTICAL TO DO SO.

(H) NEGOTIATIONS FOR RENEWAL OF AN EXISTING CONTRACT, APPLICATION FOR AN AMENDMENT TO AN EXISTING CONTRACT, APPLICATION FOR LICENSE RENEWAL, OR APPLICATION FOR AN ADDITIONAL GAMING FACILITY MAY BEGIN UP TO ONE (1) YEAR PRIOR TO THE FIVE (5) YEAR ANNIVERSARY DATE THAT APPEARS ON THE CONTRACT OR THE EXPIRATION DATE THAT APPEARS ON THE STATE GAMING LICENSE. IN THE EVENT NO CONTRACT HAS BEEN SIGNED AND NO NOTICE HAS BEEN PUBLISHED BY THE ARIZONA DEPARTMENT OF GAMING THAT A LICENSE MAY BE RENEWED THIRTY (30) DAYS PRIOR TO THE EXPIRATION OF THE CONTRACT OR LICENSE THE CORPORATE/RACETRACK CASINO SHALL BE GRANTED A SIX MONTH "EXTENSION OF CONTINUATION" TO OPERATE THE GAMING FACILITY BUT ONLY IF THE ATTORNEY GENERAL APPROVES THE "EXTENSION OF CONTINUATION" WITH HIS SIGNATURE AFFIXED ON THE EXTENSION DOCUMENTS PROVIDED BY THE ARIZONA DEPARTMENT OF GAMING. (ASSISTANT ATTORNEYS GENERAL ARE PROHIBITED FROM SINGULARLY MAKING THIS DETERMINATION UNLESS THEIR TITLE IS THAT OF ACTING ATTORNEY GENERAL.)

(I) PROVEN INSOLVENCY, CRIMINAL ACTIVITY, OR GROSS VIOLATION(S) OF THIS GAMING CONTRACT WITH THE STATE OF ARIZONA SHALL BE PRIMA-FACIE GROUNDS FOR NON-RENEWAL OF A CONTRACT OR LICENSE.

(J) ABSENT PROVEN INSOLVENCY, CRIMINAL ACTIVITY, OR GROSS VIOLATION(S) OF THE GAMING CONTRACT WITH THE STATE OF ARIZONA, DETERMINATIONS MADE BY THE ARIZONA DEPARTMENT OF GAMING, THE ARIZONA ATTORNEY GENERAL, OR THE ARIZONA STATE LEGISLATURE AS THESE DETERMINATIONS RELATE TO THE CORPORATE/RACETRACK CASINO'S POSSIBLE CONTROVERSIAL BUSINESS DECISIONS, POLITICAL ACTIVITIES, OR OTHER AMBIGUOUS OR ANCILLARY ISSUES THAT DO NOT PERTAIN TO THE LEGAL DAY-TO-DAY OPERATIONS OF THE CORPORATE/RACETRACK CASINO SHALL BE WEIGHED IN FAVOR OF THE CORPORATE OR RACETRACK CASINO; AS THEY INVOLVE ANY PERCEIVED (OR REAL) MINOR CONTRACT VIOLATION(S), OR ISSUES INVOLVING CONTRACT RENEWALS OR EXTENSIONS, LICENSE RENEWALS OR EXTENTIONS, OR THE GRANTING OF, OR FAILURE TO GRANT NEW OR SEPARATE LICENSES; AS AFFIRMED BY THE QUALIFIED ELECTORATE OF THE STATE OF ARIZONA AT THE GENERAL ELECTION ON TUESDAY, NOVEMBER 6th, 2012.

(K) THE ARIZONA ATTORNEY GENERAL (DEPARTMENT OF LAW) SHALL BE THE PRIMARY ARBITER IN ANY SERIOUS DISPUTES BETWEEN THE ARIZONA DEPARTMENT OF GAMING AND THE CORPORATE OR RACETRACK CASINO THROUGH BINDING ARBITRATION. THE ARIZONA DEPARTMENT OF GAMING SHALL BE DENIED ANY APPELLATE RIGHTS AS IT RELATES TO DECISIONS MADE BY THE ATTORNEY GENERAL. ALL COSTS RELATED TO ARBITRATION BY THE OFFICE OF THE ATTORNEY GENERAL SHALL BE PAID BY THE LOSING PARTY. CORPORATE/RACETRACK CASINOS MAY APPEAL ANY ADVERSE DECISION FROM THE ARIZONA ATTORNEY GENERAL TO THE ARIZONA STATE LEGISLATURE WHOM SHALL MAKE THE FINAL DETERMINATION IN ANY DISPUTE RELATED TO GAMING INCLUDING DECISIONS AS TO WHETHER A CONTRACT OR LICENSE SHALL BE RENEWED OR CANCELLED IN THE FORM OF SPECIAL LEGISLATION BEFORE THE FULL BODY. IN ALL RELEVANT MATTERS, THE CORPORATE OR RACETRACK CASINO SHALL BE GIVEN THE BENEFIT OF ANY DOUBT AND ALL LEGISLATIVE CONSIDERATIONS SHALL BE WEIGHED IN FAVOR OF THE CORPORATE/RACETRACK CASINO. THE OFFICE OF THE ARIZONA ATTORNEY GENERAL RETAINS ITS CONSTITUTIONAL RIGHT TO SUE IN SUPERIOR COURT OR U.S. DISTRICT COURT FOR ANY ACTIVITIES

RELATED TO GAMING IT DETERMINES TO BE DETRIMENTAL TO THE INTERESTS OF THE STATE OF ARIZONA. CORPORATE/RACETRACK CASINOS SHALL RETAIN THEIR RIGHT TO SUE IN SUPERIOR COURT TO PROTECT THEIR INTERESTS AND SHALL HAVE THE RIGHT TO APPEAL ANY DECISION(S) FROM THAT COURT TO THE STATE COURT OF APPEALS, AND THE STATE SUPREME COURT. BY SIGNING A CONTRACT WITH THE STATE OF ARIZONA, THE CORPORATE CASINOS AND THE RACETRACK CASINOS WAIVE THEIR RIGHTS TO SUE SINGULARLY AS AN INDIVIDUAL CORPORATION, OR JOINTLY AS A GROUP OF GAMING CORPORATIONS, IN THE UNITED STATES DISTRICT COURT IN ANY MATTERS INVOLVING THE GOVERNMENT OF ARIZONA OR ITS POLITICAL SUBDIVISIONS, WHERE THE STATE OR ITS POLITICAL SUBDIVISIONS WOULD OTHERWISE BE NAMED AS DEFENDANTS.

(L) THE CORPORATE/RACETRACK CASINO SHALL HAVE (I) NO AUTOMATIC GUARANTEE OF, OR ENTITLEMENT TO A SEPARATE CONTRACT OR LICENSE TO CONSTRUCT ANOTHER CASINO; (II) NO AUTOMATIC GUARANTEE OF RENEWAL OF AN EXISTING CONTRACT OR LICENSE; AND (III) NO AUTOMATIC GUARANTEE OF A SIX (6) MONTH EXTENSION OF AN EXISTING CONTRACT OR LICENSE.

(M) MAXIMUM DEVICES PER GAMING FACILITY.

(1) EACH CORPORATE CASINO AND EACH RACETRACK CASINO WITH A CONTRACT AND LICENSE MAY OPERATE UP TO ONE-THOUSAND CLASS III GAMING DEVICES AT EACH INDIVIDUAL GAMING FACILITY AUTHORIZED BY THE DEPARTMENT OF GAMING. THE MAXIMUM DEVICES PER GAMING FACILITY FOR THE CASINO IS THE SUM OF THE CASINO'S GAMING DEVICE ALLOCATION (INCLUDING AUTOMATIC PERIODIC INCREASES, PLUS THE CASINO'S ADDITIONAL GAMING DEVICES ACQUIRED THROUGH TRANSFER AGREEMENTS.)

(2) PERIODIC INCREASES. DURING THE TERM OF THIS CONTRACT, THE CASINO'S CURRENT GAMING DEVICE AND CARD TABLE ALLOCATION SHALL BE AUTOMATICALLY INCREASED (BUT NOT DECREASED), WITHOUT THE NEED TO AMEND THIS CONTRACT ON EACH FIVE-YEAR ANNIVERSARY OF THE EFFECTIVE DATE, TO THE NUMBER EQUAL TO THE CURRENT GAMING DEVICE AND TABLE GAME ALLOCATION SPECIFIED, MULTIPLIED BY THE POPULATION ADJUSTMENT RATE (WITH ANY FRACTIONS ROUNDED UP TO THE NEXT WHOLE NUMBER).

(N) TRANSFER OF GAMING DEVICE OPERATING RIGHTS AND CARD GAME TABLE ALLOCATION.

(1) TRANSFER REQUIREMENTS. DURING THE TERM OF THIS CONTRACT, THE CORPORATE AND RACETRACK CASINO MAY ENTER INTO TRANSFER AGREEMENTS WITH ONE OR MORE SOVEREIGN NATIONS AND/OR MAY ENTER INTO TRANSFER AGREEMENTS WITH ONE OR MORE CORPORATE OR RACETRACK CASINOS TO ACQUIRE GAMING DEVICE OPERATING RIGHTS AND AN ADDITIONAL CARD GAME TABLE ALLOCATION UP TO THE CASINO'S NUMBER OF ADDITIONAL GAMING DEVICES AND CARD GAME TABLE ALLOCATION INCREASE OR TO TRANSFER SOME OR ALL OF THE CASINO'S GAMING DEVICE OPERATING RIGHTS AND CARD GAME TABLE ALLOCATION UP TO THE CASINO'S CURRENT GAMING DEVICE ALLOCATION AND CARD GAME TABLE ALLOCATION. TRANSFER AGREEMENTS INVOLVING SOVEREIGN NATIONS ARE SUBJECT TO THE FOLLOWING CONDITIONS:

(A) GAMING CONTRACT. EACH SOVEREIGN NATION THAT IS A PARTY TO A TRANSFER AGREEMENT MUST HAVE A VALID AND EFFECTIVE NEW CONTRACT AS DEFINED IN A.R.S. SECTION 5-601.02(I)(6) THAT CONTAINS A PROVISION SUBSTANTIALLY SIMILAR TO THIS SECTION PERMITTING TRANSFERS OF THE INDIAN CASINO'S GAMING DEVICE OPERATING RIGHTS.

(B) FOREBEARANCE AGREEMENT. IF THE SOVEREIGN NATION OR CORPORATE/RACETRACK CASINO ENTERS INTO A TRANSFER AGREEMENT TO TRANSFER SOME OR ALL OF ITS GAMING DEVICE OPERATING RIGHTS OR CARD GAME TABLE ALLOCATION TO ANOTHER CORPORATE/RACETRACK CASINO THE SOVEREIGN NATION AND THE CORPORATE/RACETRACK CASINO SHALL EXECUTE A FOREBEARANCE AGREEMENT WITH THE STATE. THE FOREBEARANCE AGREEMENT SHALL INCLUDE A WAIVER OF ALL RIGHTS OF THE NATION OR CORPORATE/RACETRACK CASINO TO PUT INTO PLAY OR OPERATE THE NUMBER OF GAMING DEVICE OPERATING RIGHTS OR CARD GAME TABLE ALLOCATION TRANSFERRED DURING THE TERM OF THE TRANSFER AGREEMENT.

(2) TRANSFER OF ACQUIRED GAMING DEVICE OPERATING RIGHTS AND CARD GAME TABLE ALLOCATION PROHIBITED. THE CORPORATE OR RACETRACK CASINO SHALL NOT AT ANY TIME SIMULTANEOUS ACQUIRE GAMING DEVICE OPERATING RIGHTS AND CARD GAME TABLE ALLOCATION INCREASES AND TRANSFER GAMING DEVICE OPERATING RIGHTS AND CARD GAME TABLE ALLOCATION INCREASES PURSUANT TO TRANSFER AGREEMENTS.

(3) TRANSFER AGREEMENTS. TRANSFERS OF GAMING DEVICE OPERATING RIGHTS AND CARD GAME TABLE ALLOCATION MAY BE MADE PURSUANT TO A TRANSFER AGREEMENT BY ONE OR MORE INDIAN TRIBES [TO] ONE OR MORE CORPORATE OR RACETRACK CASINOS. NO TRANSFER AGREEMENT SHALL BE MADE THAT WOULD RESULT IN A TRANSFER [FROM] A CORPORATE/RACETRACK CASINO [TO] A SOVEREIGN NATION. A TRANSFER AGREEMENT MUST INCLUDE THE FOLLOWING PROVISIONS:

(A) NUMBER. THE NUMBER OF GAMING DEVICE OPERATING RIGHTS AND NUMBER OF CARD GAME TABLES TRANSFERRED AND ACQUIRED.

(B) TERM. THE DURATION OF THE TRANSFER AGREEMENT.

(C) CONSIDERATION. THE CONSIDERATION TO BE PAID BY THE CORPORATE/RACETRACK CASINO ACQUIRING THE GAMING DEVICE OPERATING RIGHTS OR CARD GAME TABLES TO THE NATION OR THE CONSIDERATION TO BE PAID TO THE CORPORATE/RACETRACK CASINO TRANSFERRING THE GAMING DEVICE OPERATING RIGHTS OR CARD GAME TABLES TO ANOTHER CORPORATE/RACETRACK CASINO, AND THE METHOD OF PAYMENT.

(D) DISPUTE RESOLUTION. THE DISPUTE RESOLUTION AND ENFORCEMENT PROCEDURES, INCLUDING A PROVISION FOR THE STATE TO RECEIVE NOTICE OF ANY SUCH PROCEEDING.

(E) NOTICE. A PROCEDURE TO PROVIDE QUARTERLY NOTICE TO THE ARIZONA DEPARTMENT OF GAMING OF PAYMENTS MADE AND RECEIVED, AND TO PROVIDE TIMELY NOTICE OF DISPUTES, REVOCATION, AMENDMENT, AND TERMINATION.

(4) TRANSFER NOTICE. AT LEAST THIRTY (30) DAYS PRIOR TO THE EXECUTION OF A TRANSFER AGREEMENT, THE NATION AND THE CORPORATE/RACETRACK CASINO MUST SEND TO THE ARIZONA DEPARTMENT OF GAMING A TRANSFER NOTICE OF ITS INTENT TO TRANSFER OR ACQUIRE GAMING DEVICE OPERATING RIGHTS OR ADDITIONAL CARD GAME TABLES. THE TRANSFER NOTICE SHALL INCLUDE A COPY OF THE PROPOSED TRANSFER AGREEMENT, THE PROPOSED FOREBEARANCE AGREEMENT AND A COPY OF THE NATION'S OR CASINO'S RESOLUTION AUTHORIZING THE TRANSFER OR ACQUISITION.

(5) THE ARIZONA DEPARTMENT OF GAMING'S DENIAL OF TRANSFER. THE ARIZONA DEPARTMENT OF GAMING MAY DENY A TRANSFER AS SET FORTH IN A TRANSFER NOTICE ONLY IF: (I) THE PROPOSED TRANSFER VIOLATES THE CONDITIONS SET FORTH IN THIS SECTION OR (II) THE PROPOSED TRANSFER AGREEMENT DOES NOT CONTAIN THE MINIMUM REQUIREMENTS LISTED IN THIS SECTION. THE ARIZONA

DEPARTMENT OF GAMING'S DENIAL OF A PROPOSED TRANSFER MUST BE IN WRITING, MUST INCLUDE THE SPECIFIC REASON(S) FOR THE DENIAL (INCLUDING COPIES OF ALL DOCUMENTATION RELIED UPON BY THE ARIZONA DEPARTMENT OF GAMING TO THE EXTENT ALLOWED BY STATE LAW), AND MUST BE RECEIVED BY THE CASINO WITHIN THIRTY (30) DAYS OF THE ARIZONA DEPARTMENT OF GAMING'S RECEIPT OF THE TRANSFER NOTICE. IF THE CASINO DISPUTES THE ARIZONA DEPARTMENT OF GAMING'S DENIAL OF A PROPOSED TRANSFER, THE CASINO MAY FILE AN APPEAL WITH THE ARIZONA ATTORNEY GENERAL'S OFFICE. IF THE APPEAL IS DENIED BY THE ARIZONA ATTORNEY GENERAL'S OFFICE AND SUBSEQUENTLY BY THE STATE LEGISLATURE NO TRANSFER SHALL BE MADE.

(6) EFFECTIVE DATE OF TRANSFER. IF THE CASINO DOES NOT RECEIVE A NOTICE OF DENIAL OF THE TRANSFER FROM THE ARIZONA DEPARTMENT OF GAMING WITHIN THE TIME PERIOD SPECIFIED ABOVE, THE PROPOSED TRANSFER AGREEMENT SHALL BECOME EFFECTIVE ON THE LATER OF THE THIRTY-FIRST (31st) DAY FOLLOWING THE ARIZONA DEPARTMENT OF GAMING'S RECEIPT OF THE TRANSFER NOTICE OR THE DATE SET FORTH IN THE TRANSFER AGREEMENT.

(7) USE OF BROKERS. THE CORPORATE/RACETRACK CASINO SHALL BE PERMITTED TO CONTRACT WITH ANY PERSON LICENSED BY THE ARIZONA DEPARTMENT OF GAMING TO ACT AS A BROKER IN CONNECTION WITH A TRANSFER AGREEMENT AS LONG AS THE TRANSFER AGREEMENT INVOLVES CORPORATE CASINOS AND RACETRACK CASINOS ONLY . A PERSON MAY BE PAID A PERCENTAGE FEE OR A COMMISSION AS A RESULT OF A TRANSFER AGREEMENT, AND MAY RECEIVE A SHARE OF ANY FINANCIAL INTEREST IN THE TRANSFER AGREEMENT AND A SHARE OF THE PROCEEDS GENERATED BY THE TRANSFER AGREEMENT. (ANY PERSON ACTING AS A BROKER IN CONNECTION WITH A TRANSFER AGREEMENT IS PROVIDING GAMING SERVICES AND MUST BE LICENSED BY THE ARIZONA DEPARTMENT OF GAMING.)

(8) REVENUE FROM TRANSFER AGREEMENTS. THE CASINO AGREES THAT: (I) ALL PROCEEDS RECEIVED BY THE CASINO AS A TRANSFEROR UNDER A TRANSFER AGREEMENT ARE NET REVENUES FROM CASINO GAMING AS DEFINED BY THIS STATUTE; AND (II) THE CASINO SHALL INCLUDE THE PROCEEDS IN AN ANNUAL AUDIT AND SHALL MAKE AVAILABLE TO THE STATE THAT PORTION OF THE AUDIT ADDRESSING PROCEEDS FROM TRANSFER AGREEMENTS.

(9) AGREED UPON PROCEDURES REPORT. THE CASINO AGREES TO PROVIDE TO THE ARIZONA DEPARTMENT OF GAMING, EITHER SEPERATELY OR WITH THE OTHER PARTY TO THE TRANSFER AGREEMENT, AN AGREED UPON PROCEDURES REPORT FROM AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT. THE PROCEDURES TO BE EXAMINED AND REPORTED UPON ARE WHETHER PAYMENTS MADE UNDER THE TRANSFER AGREEMENT WERE MADE IN THE PROPER AMOUNT, MADE AT THE PROPER TIME, AND DEPOSITED IN AN ACCOUNT OF THE SOVEREIGN NATION OR CORPORATE/RACETRACK CASINO TRANSFERRING GAMING DEVICE OPERATING RIGHTS AND CARD GAME TABLES.

(10) STATE PAYMENT. PROCEEDS RECEIVED BY THE CORPORATE/RACETRACK CASINO AS A TRANSFEROR UNDER A TRANSFER AGREEMENT FROM THE TRANSFER OF GAMING DEVICE OPERATING RIGHTS AND CARD GAME TABLES ARE SUBJECT TO PAYMENT TO THE STATE UNDER THIS CONTRACT.

(11) CONTRACT ENFORCEMENT; EFFECT ON TRANSFER AGREEMENTS. IF THE CORPORATE/RACETRACK CASINO ACQUIRES GAMING DEVICE OPERATING RIGHTS OR ADDITIONAL CARD GAME TABLES UNDER A TRANSFER AGREEMENT, NO DISPUTE BETWEEN THE STATE AND THE OTHER PARTY TO THE TRANSFER AGREEMENT SHALL AFFECT THE CASINO'S RIGHTS UNDER THE TRANSFER AGREEMENT OR THE CASINO'S OBLIGATIONS TO MAKE THE PAYMENTS REQUIRED UNDER THE TRANSFER AGREEMENT. IF THE CASINO

TRANSFERS GAMING DEVICE OPERATING RIGHTS OR CARD GAME TABLES UNDER A TRANSFER AGREEMENT, NO DISPUTE BETWEEN THE STATE AND THE OTHER PARTY TO THE TRANSFER AGREEMENT SHALL AFFECT THE CASINO'S RIGHTS UNDER THE TRANSFER AGREEMENT OR THE OBLIGATIONS OF THE OTHER PARTY TO THE TRANSFER AGREEMENT TO MAKE THE PAYMENTS REQUIRED UNDER THE TRANSFER AGREEMENT. THESE PROVISIONS SHALL NOT APPLY TO A DISPUTE AMONG THE STATE AND BOTH PARTIES TO A TRANSFER AGREEMENT REGARDING THE VALIDITY OF A TRANSFER AGREEMENT OR TO A DISPUTE BETWEEN THE PARTIES TO A TRANSFER AGREEMENT REGARDING A BREACH OF THE TRANSFER AGREEMENT.

(12) ACCESS TO RECORDS REGARDING TRANSFER AGREEMENT. THE ARIZONA DEPARTMENT OF GAMING SHALL HAVE ACCESS TO ALL RECORDS OF THE CORPORATE/RACETRACK CASINO DIRECTLY RELATING TO TRANSFER AGREEMENTS AND FORBEARANCE AGREEMENTS UNDER THIS SECTION.

(13) TRANSFER AND ACQUISITION OF POOLED GAMING DEVICES AND CARD GAME TABLES.

(A) THE CORPORATE AND RACETRACK CASINOS ARE AUTHORIZED TO JOIN WITH OTHER CORPORATE/RACETRACK CASINOS TO PERIODICALLY ESTABLISH A POOL TO COLLECT GAMING DEVICE OPERATING RIGHTS AND ADDITIONAL RIGHTS TO OPERATE ADDITIONAL CARD GAME TABLES FROM SOVEREIGN NATIONS OR OTHER CORPORATE/RACETRACK CASINOS THAT DESIRE TO TRANSFER GAMING DEVICE OPERATING RIGHTS OR CARD GAME TABLES TO CORPORATE/RACETRACK CASINOS THAT DESIRE TO ACQUIRE GAMING DEVICE OPERATING RIGHTS AND CARD GAME TABLE RIGHTS. IF THE CORPORATE/RACETRACK CASINO IS OPERATING ALL OF ITS CURRENT GAMING DEVICE AND CARD GAME TABLE ALLOCATION, AFTER MAKING REASONABLE EFFORTS TO DO SO, THE CASINO IS NOT ABLE TO ACQUIRE ADDITIONAL GAMING DEVICES OR CARD GAME TABLES PURSUANT TO AN AGREEMENT DESCRIBED IN THIS SECTION THE CASINO MAY ACQUIRE ADDITIONAL GAMING DEVICES AND CARD GAME TABLES FROM A TRANSFER POOL.

(B) THE CORPORATE/RACETRACK CASINO AND THE STATE ARE AUTHORIZED TO ESTABLISH A POOLING MECHANISM, UNDER PROCEDURES AGREED TO BY THE CASINOS AND THE ARIZONA DEPARTMENT OF GAMING, BY WHICH THE RIGHTS TO OPERATE GAMING DEVICES AND CARD GAME TABLES THAT ARE NOT IN OPERATION MAY BE ACQUIRED BY A CORPORATE/RACETRACK CASINO THROUGH AN ALLOCATION AND, AFTER MAKING REASONABLE EFFORTS TO DO SO, THE CASINO IS NOT ABLE TO ACQUIRE ADDITIONAL GAMING DEVICES OR CARD GAME TABLES PURSUANT TO AN AGREEMENT DESCRIBED IN THIS SECTION OR FROM ANY TRANSFER POOL ESTABLISHED PURSUANT TO THIS SECTION WITHIN 90 DAYS AFTER THE OPENING OF A TRANSFER POOL ESTABLISHED PURSUANT TO THIS SECTION, THE CASINO MAY ACQUIRE ADDITIONAL GAMING DEVICES AND CARD GAME TABLES UP TO THE TOTAL AMOUNT OF THE GAMING FACILITY WITH THE LARGEST NUMBER OF GAMING DEVICES OR CARD GAME TABLES.

(C) PRIOR TO AGREEING TO ANY PROCEDURES WITH ANY CORPORATE/RACETRACK CASINO PURSUANT TO THIS SECTION THE STATE SHALL PROVIDE NOTICE TO THE CASINO OF THE PROPOSED PROCEDURES.

(14) NUMBER OF CARD GAME TABLES; PERIODIC INCREASES.

(A) NUMBER OF CARD GAME TABLES; NUMBERS OF PLAYERS PER GAME. SUBJECT TO THE TERMS AND CONDITIONS OF THIS CONTRACT, THE CORPORATE CASINO AND RACETRACK CASINO IS AUTHORIZED TO OPERATE UP TO ONE-HUNDRED AND FIFTY (150) CARD GAME TABLES WITHIN EACH GAMING FACILITY PLUS THOSE CARD GAME TABLES ACQUIRED THROUGH TRANSFER AGREEMENTS. EACH BLACKJACK TABLE SHALL BE LIMITED TO NO MORE THAN SEVEN (7) AVAILABLE PLAYER POSITIONS PLUS THE DEALER. EACH POKER TABLE SHALL BE LIMITED TO NO MORE THAN TEN (10) AVAILABLE PLAYER POSITIONS PLUS THE DEALER. PLAYER LIMITATIONS ON EACH BACCARAT, DICE/CRAPS AND ROULETTE TABLE GAME SHALL BE LIMITED TO

PREVAILING STANDARDS AS PRESCRIBED BY THE ARIZONA DEPARTMENT OF GAMING. THE CORPORATE/RACETRACK CASINO AGREES THAT IT WILL NOT OPERATE CARD GAMES OUTSIDE OF A GAMING FACILITY.

(B) PERIODIC INCREASES IN THE NUMBER OF CARD GAME TABLES; BACCARAT, DICE/CRAPS, AND ROULETTE TABLE GAMES. THE NUMBER OF CARD GAME TABLES THAT THE CASINO IS AUTHORIZED TO OPERATE INCLUDING TABLE GAMES BACCARAT, DICE/CRAPS AND ROULETTE IN EACH GAMING FACILITY SHALL BE AUTOMATICALLY INCREASED (BUT NOT DECREASED), WITHOUT THE NEED TO AMEND THIS CONTRACT ON EACH FIVE-YEAR ANNIVERSARY OF THE EFFECTIVE DATE, TO THE NUMBER THAT IS EQUAL TO THE NUMBER OF CARD GAME TABLES THE CASINO IS AUTHORIZED TO OPERATE IN EACH GAMING FACILITY PLUS ANY CARD GAME TABLES OR TABLE GAMES ACQUIRED THROUGH TRANSFER AGREEMENTS, MULTIPLIED BY THE APPLICABLE POPULATION ADJUSTMENT RATE (WITH ANY FRACTION ROUNDED UP TO THE NEXT WHOLE NUMBER).

(15) NUMBER OF KENO GAMES. SUBJECT TO THE TERMS AND CONDITIONS OF THIS CONTRACT, THE CORPORATE/RACETRACK CASINO IS AUTHORIZED TO OPERATE NO MORE THAN TWO (2) KENO GAMES PER GAMING FACILITY.

(16) WAGER LIMITATIONS.

(A) FOR GAMING DEVICES. THE MAXIMUM WAGER AUTHORIZED FOR ANY SINGLE PLAY OF A GAMING DEVICE IS ONE-HUNDRED (100) DOLLARS.

(B) FOR BLACKJACK. THE MAXIMUM WAGER AUTHORIZED FOR ANY SINGLE INITIAL WAGER ON A HAND OF BLACKJACK BY EACH INDIVIDUAL PLAYER SHALL BE (A) ONE THOUSAND DOLLARS AT UP TO TEN CARD GAME TABLES PER GAMING FACILITY, AND (B) UP TO FIVE HUNDRED DOLLARS FOR ALL OTHER CARD GAME TABLES IN A GAMING FACILITY. THE FOREGOING MAXIMUM WAGER LIMITS SHALL APPLY TO EACH SUBSEQUENT WAGER THAT AN INDIVIDUAL PLAYER SHALL BE ENTITLED TO MAKE ON THE SAME HAND AS THE RESULT OF "SPIRITS" AND/OR "DOUBLING DOWN" DURING THE PLAY OF SUCH HAND.

(C) FOR POKER. THE WAGER LIMITS FOR A HAND OF POKER SHALL BE (A) \$150.00/\$300.00 AT UP TO TEN (10) CARD GAME TABLES PER GAMING FACILITY, AND (B) \$40.00/\$80.00 FOR NINETY-FIVE PERCENT OF THE REMAINING TABLES; AND UNLIMITED FOR THE REMAINING FIVE PERCENT OF ALL OTHER CARD GAME TABLES IN A GAMING FACILITY WITH THE FOLLOWING GUIDELINES ENFORCED:

(1) "UNLIMITED WAGERED TABLES" MUST BE SEPERATED FROM ALL OTHER TABLE GAMES;

(2) SURROUNDED BY AT LEAST THREE (3) WALLS; AND

(3) SECURITY PROVIDED AT ALL TIMES WHEN TABLES ARE IN USE.

(O) PERIODIC INCREASES IN WAGER LIMITATIONS. DURING THE TERM OF THIS CONTRACT, THE WAGER LIMITATIONS SET FORTH IN THIS SECTION SHALL EACH BE AUTOMATICALLY INCREASED (BUT NOT DECREASED) WITHOUT THE NEED TO AMEND THIS CONTRACT ON EACH FIVE-YEAR ANNIVERSARY OF THE EFFECTIVE DATE TO AN AMOUNT EQUAL TO THE WAGER LIMITATIONS SPECIFIED IN THIS SECTION MULTIPLIED BY THE CPI ADJUSTMENT RATE (WITH ALL AMOUNTS ROUNDED UP TO THE NEXT WHOLE DOLLAR). THE CORPORATE/ RACETRACK CASINO WILL NOTIFY THE ARIZONA DEPARTMENT OF GAMING OF SUCH WAGER LIMITATION ADJUSTMENTS AS SOON AS REASONABLY POSSIBLE AFTER THE CPI ADJUSTMENT RATE HAS BEEN DETERMINED.

(P) FORMS OF PAYMENT FOR WAGERS. ALL PAYMENT FOR WAGERS MADE FOR GAMING ACTIVITIES CONDUCTED BY THE CORPORATE/RACETRACK CASINO INCLUDING THE PURCHASE OF TOKENS FOR USE IN WAGERING, SHALL BE MADE BY CASH, CASH EQUIVALENT, CREDIT CARD OR PERSONAL CHECK. AUTOMATIC TELLER MACHINES (ATMS) MAY BE INSTALLED AT A GAMING FACILITY.

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(Q) FINANCIAL SERVICES IN GAMING FACILITIES. THE CORPORATE/RACETRACK CASINO OWNERS SHALL ENACT A POLICY ESTABLISHING RESPONSIBLE RESTRICTIONS ON THE PROVISION OF FINANCIAL SERVICES AT GAMING FACILITIES. AT A MINIMUM, THE ORDINANCE SHALL PROHIBIT:

- (1) LOCATING AN AUTOMATIC TELLER MACHINE ("ATM") ADJACENT TO, OR IN CLOSE PROXIMITY TO, ANY GAMING DEVICE;**
- (2) LOCATING IN A GAMING FACILITY AN ATM THAT ACCEPTS ELECTRONIC BENEFIT TRANSFER CARDS ISSUED PURSUANT TO A STATE OR FEDERAL PROGRAM THAT IS INTENDED TO PROVIDE FOR NEEDY FAMILIES OR INDIVIDUALS;**
- (3) ACCEPTING CHECKS OR OTHER NON-CASH ITEMS ISSUED PURSUANT TO A STATE OR FEDERAL PROGRAM THAT IS INTENDED TO PROVIDE FOR NEEDY FAMILIES OR INDIVIDUALS; AND**
- (4) THE GAMING FACILITY OPERATOR FROM EXTENDING CREDIT TO ANY PATRON OF A GAMING FACILITY FOR GAMING ACTIVITIES.**

(R) HOURS OF OPERATION. THE CASINO SHALL REMAIN OPEN TWENTY-FOUR HOURS PER DAY, SEVEN DAYS PER WEEK, AND THREE-HUNDRED AND SIXTY-FIVE DAYS PER YEAR. HOWEVER, WITH RESPECT TO THE SALE OF LIQUOR THE CASINO SHALL COMPLY WITH ALL APPLICABLE STATE LIQUOR LAWS.

(S) PROHIBITED ACTIVITIES. ANY CLASS III GAMING NOT SPECIFICALLY AUTHORIZED IN THIS SECTION IS PROHIBITED. EXCEPT AS PROVIDED HEREIN, NOTHING IN THIS CONTRACT IS INTENDED TO PROHIBIT OTHERWISE LAWFUL AND AUTHORIZED CLASS II GAMING UPON THE PRIVATE LANDS OR WITHIN THE GAMING FACILITIES.

(T) OPERATIONS AS PART OF A NETWORK. GAMING DEVICES AUTHORIZED PURSUANT TO THIS CONTRACT MAY BE OPERATED TO OFFER AN AGGREGATE PRIZE OR PRIZES AS PART OF A NETWORK, INCLUDING A NETWORK THAT:

- (1) WITH THE GAMING DEVICES OF OTHER GAMING FACILITIES LOCATED WITHIN THE STATE THAT HAVE ENTERED INTO STATE GAMING CONTRACTS WITH THE STATE, OR**
- (2) BEYOND THE STATE PURSUANT TO A MUTUALLY AGREED APPENDIX CONTAINING TECHNICAL STANDARDS FOR WIDE AREA NETWORKS.**

(U) PROHIBITION ON FIREARMS. THE POSSESSION OF FIREARMS BY ANY PERSON WITHIN A GAMING FACILITY SHALL BE STRICTLY PROHIBITED. THIS PROHIBITION SHALL NOT APPLY TO CERTIFIED LAW ENFORCEMENT OR COMPANIES THAT PROVIDE SECURITY AT A GAMING FACILITY, OR ARMORED CAR SERVICES.

(V) RECORD KEEPING. THE GAMING FACILITY OPERATOR OR THE CORPORATE/RACETRACK GAMING OFFICE, WHICHEVER CONDUCTS SURVEILLANCE, SHALL MAINTAIN THE FOLLOWING LOGS AS WRITTEN OR COMPUTERIZED RECORDS WHICH SHALL BE AVAILABLE FOR INSPECTION BY THE ARIZONA DEPARTMENT OF GAMING IN ACCORDANCE WITH THIS SECTION: (I) A SURVEILLANCE LOG RECORDING ALL MATERIAL SURVEILLANCE ACTIVITIES IN THE MONITORING ROOM OF THE GAMING FACILITIES; AND (II) A SECURITY LOG RECORDING ALL UNUSUAL OCCURRENCES INVESTIGATED BY THE CORPORATE/RACETRACK CASINO GAMING OFFICE. THE GAMING FACILITY OPERATOR OR THE CORPORATE/RACETRACK CASINO GAMING OFFICE, WHICHEVER CONDUCTS SURVEILLANCE, SHALL RETAIN VIDEO RECORDINGS MADE IN ACCORDANCE WITH THIS SECTION FOR AT LEAST SEVEN DAYS FROM THE DATE OF ORIGINAL RECORDING.

(W) BARRED PERSONS. THE CORPORATE/RACETRACK GAMING OFFICE SHALL ESTABLISH A LIST OF PERSONS BARRED FROM THE GAMING FACILITY BECAUSE THEIR CRIMINAL HISTORY OR ASSOCIATION WITH CAREER OFFENDERS OR CAREER OFFENDER ORGANIZATIONS POSES A THREAT TO THE INTEGRITY OF THE GAMING ACTIVITIES OF THE CORPORATE CASINO OR RACETRACK CASINO. THE CORPORATE/RACETRACK GAMING OFFICE SHALL EMPLOY ITS BEST EFFORTS TO EXCLUDE PERSONS ON SUCH LIST FROM ENTRY INTO ITS GAMING FACILITIES. TO THE EXTENT NOT PREVIOUSLY PROVIDED, THE CORPORATE/RACETRACK GAMING OFFICE SHALL SEND A COPY OF ITS LIST ON A MONTHLY BASIS TO THE ARIZONA DEPARTMENT OF GAMING, ALONG WITH DETAILED INFORMATION REGARDING WHY THE PERSON HAS BEEN BARRED AND, TO THE

EXTENT AVAILABLE, THE BARRED PERSON'S PHOTOGRAPH, DRIVER LICENSE INFORMATION, AND/OR FINGERPRINTS, TO THE EXTENT THESE ITEMS ARE IN THE POSSESSION OF THE CORPORATE/RACETRACK GAMING OFFICE. THE STATE DEPARTMENT OF GAMING WILL ESTABLISH A LIST WHICH WILL CONTAIN THE NAMES, AND TO THE EXTENT AVAILABLE, PHOTOGRAPHS OF, AND OTHER RELEVANT INFORMATION REGARDING, ANY PERSON WHOSE REPUTATION, CONDUCT, OR CRIMINAL HISTORY IS SUCH THAT THEIR PRESENCE WITHIN A GAMING FACILITY MAY POSE A THREAT TO THE PUBLIC HEALTH, SAFETY, OR WELFARE. SUCH PERSONS WILL BE BARRED FROM ALL CORPORATE AND RACETRACK GAMING FACILITIES WITHIN THE STATE. THE GAMING FACILITY AGREES THAT THE ARIZONA DEPARTMENT OF GAMING MAY DISSEMINATE THIS LIST, WHICH SHALL CONTAIN DETAILED INFORMATION ABOUT WHY EACH PERSON IS BARRED, TO ALL OTHER CORPORATE AND RACETRACK GAMING OFFICES AND SOVEREIGN NATION GAMING OFFICES LOCATED WITHIN THE STATE.

(X) PROBLEM GAMBLING.

(1) SIGNAGE. AT ALL PUBLIC ENTRANCES AND EXITS OF EACH GAMING FACILITY, THE GAMING FACILITY OPERATOR SHALL POST SIGNS STATING THAT HELP IS AVAILABLE IF A PERSON HAS A PROBLEM WITH GAMBLING AND, AT A MINIMUM, PROVIDE THE STATEWIDE TOLL FREE CRISIS HOTLINE TELEPHONE NUMBER ESTABLISHED BY THE ARIZONA STATE LOTTERY COMMISSION.

(2) SELF-EXCLUSION. THE ARIZONA DEPARTMENT OF GAMING AND THE CORPORATE/RACETRACK CASINO SHALL COMPLY WITH THE FOLLOWING PROVISIONS:

(A) THE ARIZONA DEPARTMENT OF GAMING SHALL ESTABLISH A LIST OF PERSONS WHO, BY ACKNOWLEDGING IN A MANNER TO BE ESTABLISHED BY THE ARIZONA DEPARTMENT OF GAMING THAT THEY ARE PROBLEM GAMBLERS, VOLUNTARILY SEEK TO EXCLUDE THEMSELVES FROM GAMING FACILITIES. THE ARIZONA DEPARTMENT OF GAMING SHALL ESTABLISH PROCEDURES FOR THE PLACEMENT ON AND REMOVAL FROM THE LIST OF SELF-EXCLUDED PERSONS. NO PERSON OTHER THAN THE PERSON SEEKING VOLUNTARY SELF-EXCLUSION SHALL BE ALLOWED TO INCLUDE ANY PERSON'S NAME ON THE SELF-EXCLUSION LIST OF THE ARIZONA DEPARTMENT OF GAMING.

(B) THE CORPORATE/RACETRACK CASINO SHALL ESTABLISH PROCEDURES FOR ADVISING PERSONS WHO INQUIRE ABOUT SELF-EXCLUSION AND THE ARIZONA DEPARTMENT OF GAMING'S PROCEDURES.

(C) THE ARIZONA DEPARTMENT OF GAMING SHALL COMPILE IDENTIFYING INFORMATION CONCERNING SELF-EXCLUDED PERSONS. SUCH INFORMATION SHALL CONTAIN, AT A MINIMUM, THE FULL NAME AND ANY ALIASES OF THE PERSON, A PHOTOGRAPH OF THE PERSON, THE SOCIAL SECURITY OR DRIVER LICENSE NUMBER OF THE PERSON, AND THE MAILING ADDRESS OF THE PERSON.

(D) THE ARIZONA DEPARTMENT OF GAMING SHALL, ON A MONTHLY BASIS, PROVIDE THE COMPILED INFORMATION TO EACH CORPORATE/RACETRACK GAMING OFFICE. THEY SHALL TREAT THE INFORMATION RECEIVED FROM THE ARIZONA DEPARTMENT OF GAMING UNDER THIS SECTION AS CONFIDENTIAL AND SUCH INFORMATION SHALL NOT BE DISCLOSED EXCEPT TO OTHER CORPORATE/RACETRACK CASINO GAMING OFFICES AND SOVEREIGN NATION GAMING OFFICES FOR INCLUSION ON THEIR LISTS, OR TO APPROPRIATE LAW ENFORCEMENT AGENCIES IF NEEDED IN THE CONDUCT OF AN OFFICIAL INVESTIGATION OR UNLESS ORDERED BY A COURT OF COMPETENT JURISDICTION.

(E) THE CORPORATE/RACETRACK CASINO GAMING OFFICE SHALL ADD THE SELF-EXCLUDED PERSONS FROM THE LIST PROVIDED BY THE ARIZONA DEPARTMENT OF GAMING TO THEIR OWN LIST OF SELF-EXCLUDED PERSONS.

(F) THE CORPORATE/RACETRACK CASINO GAMING OFFICE SHALL REQUIRE THE GAMING FACILITY OPERATOR TO REMOVE ALL SELF-EXCLUDED PERSONS FROM ALL MAILING LISTS AND TO REVOKE ANY SLOT OR PLAYER'S CARDS. THE CORPORATE/RACETRACK CASINO GAMING OFFICE SHALL REQUIRE THE GAMING FACILITY OPERATOR TO TAKE REASONABLE STEPS TO ENSURE THAT CAGE PERSONNEL CHECK A PERSON'S IDENTIFICATION AGAINST THE LIST PROVIDED BY THE ARIZONA DEPARTMENT OF GAMING OF SELF-

EXCLUDED PERSONS BEFORE ALLOWING THE PERSON TO CASH A CHECK OR COMPLETE A CREDIT CARD CASH ADVANCE TRANSACTION.

(G) THE CORPORATE/RACETRACK CASINO GAMING OFFICE SHALL REQUIRE THE GAMING FACILITY OPERATOR TO TAKE REASONABLE STEPS TO IDENTIFY SELF-EXCLUDED PERSONS WHO MAY BE IN A GAMING FACILITY AND, ONCE IDENTIFIED, PROMPTLY ESCORT THE SELF-EXCLUDED PERSON FROM THE GAMING FACILITY.

(H) THE CORPORATE/RACETRACK CASINO GAMING OFFICE SHALL PROHIBIT THE GAMING FACILITY OPERATOR FROM PAYING ANY HAND-PAY JACKPOT TO A PERSON WHO IS ON THE CORPORATE/RACETRACK CASINO OR THE ARIZONA DEPARTMENT OF GAMING SELF-EXCLUSION LIST. ANY JACKPOT WON BY A PERSON ON THE SELF-EXCLUSION LIST SHALL BE DONATED BY THE GAMING FACILITY OPERATOR TO AN ARIZONA-BASED NON-PROFIT CHARITABLE ORGANIZATION.

(I) NEITHER THE CORPORATE/RACETRACK CASINO, THE GAMING FACILITY OPERATOR, THE CORPORATE/RACETRACK CASINO GAMING OFFICE, NOR ANY EMPLOYEE THEREOF SHALL BE LIABLE TO ANY SELF-EXCLUDED PERSON OR TO ANY OTHER PARTY IN ANY PROCEEDING AND NEITHER THE CORPORATE/RACETRACK CASINO, THE GAMING FACILITY OPERATOR, NOR THE CORPORATE/RACETRACK FACILITY GAMING OFFICE SHALL BE DEEMED TO HAVE WAIVED ITS IMMUNITY WITH RESPECT TO ANY PERSON FOR ANY HARM, MONETARY OR OTHERWISE, WHICH MAY ARISE AS A RESULT OF:

(1) THE FAILURE OF THE GAMING FACILITY OPERATOR OR THE CORPORATE/RACETRACK CASINO GAMING OFFICE TO WITHHOLD OR RESTORE GAMING PRIVILEGES FROM OR TO A SELF-EXCLUDED PERSON; OR
(2) OTHERWISE PERMITTING A SELF-EXCLUDED PERSON TO ENGAGE IN GAMING ACTIVITY IN A GAMING FACILITY WHILE ON THE LIST OF SELF-EXCLUDED PERSONS.

(J) NEITHER THE CORPORATE/RACETRACK CASINO, THE GAMING FACILITY OPERATOR, THE CORPORATE/RACETRACK CASINO GAMING OFFICE, NOR ANY EMPLOYEE THEREOF SHALL BE LIABLE TO ANY SELF-EXCLUDED PERSON OR TO ANY OTHER PARTY IN ANY PROCEEDING, AND NEITHER THE CORPORATE/RACETRACK CASINO, THE GAMING FACILITY OPERATOR, NOR THE CORPORATE/RACETRACK CASINO GAMING OFFICE SHALL BE DEEMED TO HAVE WAIVED ITS IMMUNITY WITH RESPECT TO ANY PERSON FOR ANY HARM, MONETARY OR OTHERWISE, WHICH MAY ARISE AS A RESULT OF DISCLOSURE OR PUBLICATION IN ANY MANNER, OTHER THAN A WILLFULLY UNLAWFUL DISCLOSURE OR PUBLICATION, OF THE IDENTITY OF ANY SELF-EXCLUDED PERSON OR PERSONS.

(K) NOTWITHSTANDING ANY OTHER PROVISION OF THIS CONTRACT, THE ARIZONA DEPARTMENT OF GAMING'S LIST OF SELF-EXCLUDED PERSONS SHALL NOT BE OPEN TO PUBLIC INSPECTION.

(Y) RESTRICTION ON MINORS.

(1) ANY CORPORATE/RACETRACK CASINO-STATE CONTRACT THAT IS EXECUTED PURSUANT TO THIS SECTION SHALL INCLUDE A PROVISION THAT PROHIBITS PERSONS WHO ARE UNDER TWENTY-ONE YEARS OF AGE FROM WAGERING ON GAMING ACTIVITIES, EXCEPT THAT THE LEGAL AGE FOR PARTICIPATION IN GAMING ACTIVITIES LOWERS TO EIGHTEEN YEARS OF AGE AT MIDNIGHT ON DECEMBER 31st, 2018.

(2) UNTIL MIDNIGHT ON DECEMBER 31st, 2018 NO PERSON LESS THAN EIGHTEEN YEARS OF AGE SHALL BE PERMITTED TO PLACE ANY WAGER, DIRECTLY OR INDIRECTLY, IN ANY GAMING FACILITY.

(3) THE DECISION WHETHER TO ALLOW GAMING BY PERSONS WHO ARE EIGHTEEN TO TWENTY-ONE YEARS OF AGE SHALL BE MADE AT THE SOLE DISCRETION OF THE CORPORATE/RACETRACK CASINO OWNERS.

(4) WHEN THE DECISION IS MADE BY THE CORPORATE/RACETRACK CASINO OWNERS TO ALLOW GAMING BY PERSONS WHO ARE EIGHTEEN TO TWENTY-ONE YEARS OF AGE, THE DECISION IS PERMANENT AND SHALL NOT BE RESCINDED.

(5) NO PERSON UNDER EIGHTEEN YEARS OF AGE SHALL BE EMPLOYED AS A GAMING EMPLOYEE. NO PERSON UNDER 21 YEARS OF AGE SHALL BE EMPLOYED IN THE SERVICE OF ALCOHOLIC BEVERAGES AT ANY GAMING FACILITY, UNLESS SUCH EMPLOYMENT WOULD BE OTHERWISE PERMITTED UNDER STATE LAW.

(Z) ADVERTISING.

(1) RIGHT TO ADVERTISE. THE STATE RECOGNIZES THE CASINO'S CONSTITUTIONAL RIGHT TO ENGAGE IN ADVERTISING OF LAWFUL GAMING ACTIVITIES AND NOTHING IN THIS CONTRACT SHALL BE DEEMED TO ABROGATE OR DIMINISH THAT RIGHT.

(2) PROHIBITION ON ADVERTISING DIRECTED TO MINORS. THE GAMING FACILITY OPERATOR SHALL NOT ADVERTISE OR MARKET GAMING ACTIVITIES IN A MANNER THAT SPECIFICALLY APPEALS TO MINORS.

(3) ADVERTISING GUIDELINES. WITHIN THIRTY DAYS AFTER THE EFFECTIVE DATE, THE GAMING FACILITY OPERATOR SHALL ADOPT GUIDELINES FOR THE ADVERTISING AND MARKETING OF GAMING ACTIVITIES THAT ARE NO LESS STRINGENT THAN THOSE CONTAINED IN THE AMERICAN GAMING ASSOCIATION'S GENERAL ADVERTISING GUIDELINES.

(4) CONTENT OF ADVERTISING. IN RECOGNITION OF THE CASINO'S CONSTITUTIONAL RIGHT TO ADVERTISE GAMING ACTIVITIES, THE SPECIFIC CONTENT OF ADVERTISING AND MARKETING MATERIALS SHALL NOT BE SUBJECT TO ANY ADDITIONAL RESTRICTIONS NOT FOUND IN THIS CONTRACT.

(AA) INTERNET GAMING. THE CORPORATE/RACETRACK CASINO SHALL BE PERMITTED TO CONDUCT GAMING VIA THE INTERNET PURSUANT TO UNITED STATES CONGRESSIONAL APPROVAL. ALL INTERNET GAMING CONDUCTED IN ARIZONA WHETHER IT BE IN A GAMING FACILITY OR OTHER LOCATION SHALL BE REGULATED BY THE ARIZONA STATE LOTTERY COMMISSION. THE ARIZONA STATE LEGISLATURE SHALL CONSTRUCT REGULATIONS AND GUIDELINES FOR ITS IMPLEMENTATION INCLUDING ALL FEES PAID TO THE STATE IN EXCHANGE FOR THE LICENSE TO OPERATE INDIVIDUALLY OR AS PART OF AN ON-LINE/INTERNET NETWORK PROVIDING GAMING SERVICES. THE ARIZONA DEPARTMENT OF GAMING SHALL MAKE THE DETERMINATION AS TO WHETHER AN INDIVIDUAL CORPORATE/ RACETRACK GAMING FACILITY SHALL BE LICENSED TO PROVIDE INTERNET GAMING. EXISTING CORPORATE/RACETRACK CASINO APPELLATE RIGHTS SHALL REMAIN IN FULL FORCE IN ANY PROCEEDING RELATING TO THIS SECTION.

(BB) LOTTERY PRODUCTS. THE CASINO SHALL NOT OFFER PAPER LOTTERY PRODUCTS IN COMPETITION WITH THE ARIZONA LOTTERY'S PICK, POWERBALL, MEGA OR ANY OTHER STATE LOTTERY PRODUCT. NOTWITHSTANDING ANY OTHER STATE LAW, THE CORPORATE/RACETRACK CASINO SHALL MAKE AVAILABLE FOR PURCHASE TO ELIGIBLE PATRONS ALL ARIZONA STATE LOTTERY PRODUCTS, AT THE TIMES ALLOWED BY LOTTERY RULES.

(CC) ANNUAL STATEMENT OF COMPLIANCE. THE CORPORATE/RACETRACK CASINO SHALL SUBMIT TO THE ARIZONA DEPARTMENT OF GAMING AN ANNUAL STATEMENT OF COMPLIANCE WITH THE CONTEXT OF THIS BINDING CONTRACT.

(DD) GAMING EMPLOYEES.

(1) EVERY GAMING EMPLOYEE SHALL BE LICENSED BY THE ARIZONA DEPARTMENT OF GAMING PRIOR TO COMMENCEMENT OF EMPLOYMENT, AND ANNUALLY THEREAFTER. GAMING EMPLOYEES THAT HOLD THE FOLLOWING POSITIONS ARE NOT REQUIRED TO BE CERTIFIED BY THE STATE, SO LONG AS THEY DO NOT HAVE UNESCORTED ACCESS TO SECURE AREAS SUCH AS GAMING DEVICE STORAGE AND REPAIR AREAS, COUNT ROOMS, VAULTS, CAGES, CHANGE BOOTHS, CHANGE BANKS/CABINETS, SECURITY OFFICES AND SURVEILLANCE ROOMS, REVENUE ACCOUNTING OFFICES, AND ROOMS CONTAINING INFORMATION SYSTEMS THAT MONITOR OR CONTROL GAMING ACTIVITIES (OR, AS MAY BE AGREED TO BY THE ARIZONA DEPARTMENT OF GAMING AND THE CORPORATE/RACETRACK CASINO IN A SEPARATE AGREEMENT DELINEATING THE SECURE AREAS IN THE GAMING FACILITIES):

(A) FOOD AND BEVERAGE SERVICE PERSONNEL SUCH AS CHEFS, COOKS, WAITERS, WAITRESSES, BUS PERSONS, DISHWASHERS, FOOD AND BEVERAGE CASHIERS, AND HOST;

(B) GIFT SHOP MANAGERS, ASSISTANT MANAGERS, CASHIERS, AND CLERKS;

(C) GREETERS;

(D) LANDSCAPERS, GARDENERS, AND GROUNDKEEPERS;

(E) MAINTENANCE, CLEANING, AND JANITORIAL PERSONNEL;

(F) STEWARDS AND VALETS;

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- (G) WARDROBE PERSONNEL;
- (H) WAREHOUSE PERSONNEL; AND
- (I) HOTEL PERSONNEL.

(EE) MANUFACTURERS AND SUPPLIERS OF GAMING DEVICES AND GAMING SERVICES. EACH MANUFACTURER AND DISTRIBUTOR OF GAMING DEVICES, AND EACH PERSON PROVIDING STATE GAMING SERVICES, WITHIN OR WITHOUT THE GAMING FACILITY, SHALL BE LICENSED AND CERTIFIED BY THE ARIZONA DEPARTMENT OF GAMING PRIOR TO THE SALE OR LEASE OF ANY GAMING DEVICES OR GAMING SERVICES. THE CORPORATE/ RACETRACK CASINO SHALL PROVIDE TO THE ARIZONA DEPARTMENT OF GAMING A LIST OF THE NAMES AND ADDRESSES OF ALL VENDORS PROVIDING GAMING SERVICES ON A PERIODIC BASIS. UTILITIES WHICH ARE THE SOLE AVAILABLE SOURCE OF ANY PARTICULAR SERVICE TO A GAMING FACILITY ARE NOT REQUIRED TO BE CERTIFIED. A VENDOR LICENSED AND REGULATED BY ANOTHER GOVERNMENTAL AGENCY MAY SUBMIT A SUPPLEMENT TO THE APPLICATION ON FILE WITH THE OTHER AGENCY. THE ARIZONA DEPARTMENT OF GAMING MAY WAIVE THE REQUIREMENT THAT A VENDOR BE CERTIFIED IF IT DETERMINES THAT CERTIFYING THE VENDOR IS NOT NECESSARY TO PROTECT THE PUBLIC INTEREST.

(FF) STATE ADMINISTRATIVE PROCESS; CERTIFICATIONS. ANY APPLICANT FOR STATE CERTIFICATION AGREES BY MAKING SUCH APPLICATION TO BE SUBJECT TO STATE JURISDICTION TO THE EXTENT NECESSARY TO DETERMINE THE APPLICANT'S QUALIFICATION TO HOLD SUCH CERTIFICATION, INCLUDING ALL NECESSARY ADMINISTRATIVE PROCEDURES, (TITLE 41, CHAPTER 6, ARIZONA REVISED STATUTES) AND THE ADMINISTRATIVE RULES OF THE ARIZONA DEPARTMENT OF GAMING.

(GG) CONTRACT COMPLIANCE REVIEW. THE ARIZONA DEPARTMENT OF GAMING IS AUTHORIZED TO CONDUCT AN ANNUAL COMPREHENSIVE CONTRACT COMPLIANCE REVIEW OF THE GAMING OPERATION, GAMING FACILITIES, AND THE GAMING ACTIVITIES OF THE GAMING FACILITY OPERATOR TO MONITOR COMPLIANCE WITH THIS CONTRACT, ANY AMENDMENTS OR APPENDICES TO THIS CONTRACT, AND OTHER AGREEMENTS RELATING TO THIS CONTRACT.

(HH) EMERGENCY SERVICE ACCESSIBILITY. THE CASINO SHALL REQUIRE THE GAMING FACILITY OPERATOR TO MAKE PROVISIONS FOR ADEQUATE EMERGENCY ACCESSIBILITY AND SERVICE. MUTUAL AID AND EMERGENCY RESPONSE SERVICE AGREEMENTS WILL BE ENTERED AS NEEDED WITH ENTITIES FROM THE SURROUNDING COMMUNITIES.

(II) LAW ENFORCEMENT. THE ARIZONA DEPARTMENT OF GAMING SHALL IMPLEMENT A WRITTEN LAW ENFORCEMENT SERVICES PLAN THAT PROVIDES A COMPREHENSIVE AND EFFECTIVE MEANS TO ADDRESS CRIMINAL AND UNDESIRABLE ACTIVITY AT THE GAMING FACILITIES. THIS PLAN SHALL PROVIDE THAT SUFFICIENT LAW ENFORCEMENT RESOURCES ARE AVAILABLE TWENTY-FOUR HOURS A DAY SEVEN DAYS PER WEEK TO PROTECT THE PUBLIC HEALTH, SAFETY, AND WELFARE AT THE GAMING FACILITIES. THE GAMING FACILITIES AND THE STATE SHALL INVESTIGATE VIOLATIONS OF STATE GAMBLING STATUTES AND OTHER CRIMINAL ACTIVITIES AT THE GAMING FACILITIES. TO ACCOMMODATE INVESTIGATIONS AND INTELLIGENCE SHARING, THE CASINO WILL PROVIDE THAT A POLICE OFFICER HOLDING CURRENT ARIZONA POLICE OFFICER STANDARDS AND TRAINING (POST) CERTIFICATION IS EMPLOYED BY THE GAMING FACILITY OPERATOR OR CASINO GAMING OFFICE, AND ASSIGNED TO HANDLE GAMING-RELATED MATTERS WHEN THEY ARISE. INTELLIGENCE LIAISONS WILL BE ESTABLISHED AT THE MUNICIPAL POLICE DEPARTMENT, CASINO GAMING OFFICE AND THE ARIZONA DEPARTMENT OF GAMING. THERE WILL BE LOCAL, STATE, AND FEDERAL COOPERATION IN TASK FORCE INVESTIGATIONS. THE ARIZONA DEPARTMENT OF GAMING'S INTELLIGENCE UNIT WILL GATHER, COORDINATE, CENTRALIZE, AND DISSEMINATE ACCURATE AND CURRENT INTELLIGENCE INFORMATION PERTAINING TO CRIMINAL AND UNDESIRABLE ACTIVITY THAT MAY THREATEN PATRONS, EMPLOYEES OR ASSETS OF THE GAMING INDUSTRY, THE STATE OR THE CASINO FOR THE SHARED GOAL OF PREVENTING AND PROSECUTING CRIMINAL OR UNDESIRABLE ACTIVITY BY PLAYERS, EMPLOYEES, OR BUSINESSES IN CONNECTION WITH CASINO GAMING FACILITIES. VIOLATIONS OF STATE CRIMINAL

GAMBLING STATUTES MAY BE PROSECUTED AS FEDERAL CRIMES IN FEDERAL COURT. BY SIGNING A GAMING CONTRACT WITH THE STATE OF ARIZONA THE CORPORATE CASINO AND THE RACETRACK CASINO AGREES WITH THE UNLIMITED JURISDICTION OF THE LOCAL (MUNICIPAL), COUNTY, AND DPS LAW ENFORCEMENT; ALONG WITH THE JURISDICTION OF THE ARIZONA ATTORNEY GENERAL'S OFFICE, THE FBI, THE DEPARTMENT OF JUSTICE, ATF, AND THE OFFICE OF HOMELAND SECURITY; AND THEREFORE SHALL ALLOW UNLIMITED ACCESS TO THEIR FACILITIES AT ANY TIME. FAILURE TO DO SO MAY RESULT IN THE IMMEDIATE TERMINATION OF THE CONTRACT WITH THE STATE OF ARIZONA. THE ARIZONA ATTORNEY GENERAL AND THE ARIZONA DEPARTMENT OF GAMING SHALL ESTABLISH GUIDELINES FOR THE ALLOWANCE OF ACCESS TO SPECIFIC AREAS, AND GUIDELINES FOR THE FURTHER IMPLEMENTATION OF THIS SECTION, INCLUDING ANY REQUIRED NOTICE AND IDENTIFICATION REQUIREMENTS FROM SECIFIC LAW ENFORCEMENT AGENCYCS.

(JJ) "DEAD-BEAT-DAD CLAUSE". THE ARIZONA DEPARTMENT OF GAMING SHALL IMPLEMENT AT ITS EARLIEST OPPORTUNITY A PLAN INVOLVING THE "SUPPORT PAYMENT CLEARINGHOUSE" ESTABLISHED PURSUANT TO SECTION 46-441 THAT REQUIRES ALL CORPORATE/RACETRACK CASINOS TO INTERCEPT AND WITHHOLD THE WINNINGS OF ALL OBLIGORS THAT ARE IN ARREARAGE IN THE PAYMENT OF CHILD SUPPORT, PAST SUPPORT, AND SPOUSAL MAINTENANCE INCLUDING INTEREST, PURSUANT TO SECTIONS 25-500, 41-1960.01, 46-401, 46-402, 46-403, 46-291, 46-442, 46-443 AND 46-444, ORDERED BY A COURT OF COMPETENT JURISDICTION. ONCE THOSE WINNINGS HAVE BEEN INTERCEPTED AND WITHHELD THE CORPORATE/RACETRACK CASINO SHALL IMMEDIATELY SUBMIT THOSE FUNDS AT NO ADDITIONAL COST TO THE ARIZONA DEPARTMENT OF GAMING WHOM SHALL IMMEDIATELY RECORD THE AMOUNT SUBMITTED AND IMMEDIATELY TRANSFER THOSE FUNDS TO THE "STATE DESIGNATED AGENCY" ASSIGNED BY THE GOVERNOR TO: (I) RECEIVE THOSE FUNDS; (II) EXERCISE THE RIGHTS OF THE STATE; AND (III) FULFIL RESPONSIBILITIES ESTABLISHED BY THIS SECTION AND APPROVED BY THE ARIZONA ELECTORATE.

(KK) OWNERSHIP OF GAMING FACILITIES.

(1) IN EXCHANGE FOR THE RIGHT TO CONDUCT GAMING ACTIVITIES IN ARIZONA, THE OUT-OF-STATE GAMING ORGANIZATION (CASINO) SHALL RELINQUISH TEN-PERCENT (10%) OWNERSHIP IN ANY CASINO CONSTRUCTED IN EXCHANGE FOR THE MULTIPLE BENEFITS ASSOCIATED WITH THE RIGHT TO ENGAGE IN LEGALIZED GAMING IN ARIZONA. LEGAL RESIDENTS OF ARIZONA SHALL HAVE THE RIGHT TO PURCHASE UP TO TEN PERCENT OWNERSHIP OF ANY CASINO ORGANIZATION WISHING TO CONDUCT BUSINESS IN ARIZONA, THROUGH GAMING INVESTORS GROUPS AND GAMING INVESTMENT GROUPS INCORPORATED AND DOMICILED IN ARIZONA. THE GAMING INVESTORS GROUP AND THE GAMING INVESTMENT GROUP MAY BEGIN RAISING NECCESARY INVESTMENT CAPITAL FROM ARIZONA RESIDENTS UPON THE DATE OF THE FILING OF THIS INITIATIVE AND PRIOR TO THE GENERAL ELECTION ON TUESDAY, NOVEMBER 6, 2012. EACH INVESTMENT UNIT SHALL HAVE A VALUE OF ONE-THOUSAND DOLLARS. ARIZONA RESIDENTS MAY PURCHASE AS MANY INVESTMENT UNITS AS DESIRED. HOWEVER, ONE ARIZONA RESIDENT MAY NOT SINGULARLY PURCHASE MORE THAN FIVE-PERCENT OF THE AVAILABLE INVESTMENT UNITS OF A SINGLE GAMING FACILITY. AN ARIZONA RESIDENT SHALL BE PERMITTED TO PURCHASE AN UNLIMITED NUMBER OF INVESTMENT UNITS AND MAY PURCHASE AN UNLIMITED NUMBER OF FUTURE INVESTMENT UNITS FOR FUTURE GAMING FACILITIES AS LONG AS THE TOTAL INVESTMENT DOES NOT EXCEED FIVE PERCENT OF THE AVAILABLE INVESTMENT UNITS IN A SINGLE FACILITY. THE CASINO SHALL BE PARTNERED WITH ELIGIBLE ARIZONA RESIDENTS' INTERESTS IN THE GAMING FACILITY AND GAMING ACTIVITIES. THIS PROVISION SHALL NOT BE CONSTRUED TO PREVENT THE CORPORATE CASINO FROM GRANTNG SECURITY INTERESTS OR OTHER FINANCIAL ACCOMODATIONS TO SECURED PARTIES, LENDERS, OR OTHERS, OR TO PREVENT THE CORPORATE CASINO FROM ENTERING INTO LEASES OR OTHER FINANCIAL ARRANGEMENTS WITH ENTITIES OUTSIDE THE STATE OF ARIZONA, OR OUTSIDE OF THE UNITED STATES OF AMERICA. GAMING INVESTORS GROUPS AND GAMING INVESTMENT GROUPS, DOMICILED IN ARIZONA, SHALL PURCHASE THE REMAINING AVAILABLE INVESTMENT INTEREST IN EACH CASINO, AND MAY EXCEED THE FIVE-PERCENT THRESHOLD

ABOVE; IF ARIZONA RESIDENTS HAVE NOT PURCHASED THE REQUIRED TEN-PERCENT INTEREST IN THE GAMING FACILITY.

(2) IN EXCHANGE FOR THE RIGHT OF AN ARIZONA RACETRACK TO CONDUCT GAMING ACTIVITIES IN ARIZONA THE RACETRACK CASINO SHALL RELINQUISH FIVE-PERCENT (5%) OWNERSHIP IN ANY RACETRACK CASINO CONSTRUCTED IN EXCHANGE FOR THE MULTIPLE BENEFITS ASSOCIATED WITH THE RIGHT TO ENGAGE IN LEGALIZED GAMING IN ARIZONA. LEGAL RESIDENTS OF ARIZONA SHALL HAVE THE RIGHT TO PURCHASE UP TO FIVE PERCENT OF ANY RACETRACK CASINO ORGANIZATION WISHING TO CONDUCT BUSINESS IN ARIZONA, THROUGH GAMING INVESTORS GROUPS AND GAMING INVESTMENT GROUPS INCORPORATED AND DOMICILED IN ARIZONA. THE GAMING INVESTORS GROUP AND THE GAMING INVESTMENT GROUP MAY BEGIN RAISING NECESSARY INVESTMENT CAPITAL FROM ARIZONA RESIDENTS UPON THE DATE OF THE FILING OF THIS INITIATIVE AND PRIOR TO THE GENERAL ELECTION ON TUESDAY, NOVEMBER 6, 2012. EACH INVESTMENT UNIT SHALL HAVE A VALUE OF ONE-THOUSAND DOLLARS. ARIZONA RESIDENTS MAY PURCHASE AS MANY INVESTMENT UNITS AS DESIRED. HOWEVER, ONE ARIZONA RESIDENT MAY NOT SINGULARLY PURCHASE MORE THAN ONE-PERCENT OF THE AVAILABLE INVESTMENT UNITS OF A SINGLE RACETRACK GAMING FACILITY. AN ARIZONA RESIDENT SHALL BE PERMITTED TO PURCHASE AN UNLIMITED NUMBER OF AVAILABLE INVESTMENT UNITS AND MAY PURCHASE AN UNLIMITED NUMBER OF FUTURE INVESTMENT UNITS FOR ADDITIONAL GAMING FACILITIES AS LONG AS THE TOTAL INVESTMENT DOES NOT EXCEED ONE-PERCENT OF THE TOTAL AVAILABLE INVESTMENT UNITS FOR A SINGLE RACETRACK FACILITY. THE RACETRACK CASINO SHALL BE PARTNERED WITH ELIGIBLE ARIZONA RESIDENTS' INTERESTS IN THE GAMING FACILITY AND GAMING ACTIVITIES. THIS PROVISION SHALL NOT BE CONSTRUED TO PREVENT THE RACETRACK CASINO FROM GRANTING SECURITY INTERESTS OR OTHER FINANCIAL ACCOMODATIONS TO SECURED PARTIES, LENDERS, OR OTHERS, OR TO PREVENT THE RACETRACK CASINO FROM ENTERING INTO LEASES OR OTHER FINANCIAL ARRANGEMENTS WITH ENTITIES OUTSIDE THE STATE OF ARIZONA, OR OUTSIDE OF THE UNITED STATES OF AMERICA. GAMING INVESTORS GROUPS AND GAMING INVESTMENT GROUPS DOMICILED IN ARIZONA SHALL PURCHASE THE REMAINING AVAILABLE INVESTMENT INTEREST IN EACH INDIVIDUAL RACETRACK; AND MAY EXCEED THE ONE-PERCENT THRESHOLD ABOVE, IF ARIZONA RESIDENTS HAVE NOT PURCHASED THE REQUIRED FIVE-PERCENT INTEREST IN THE GAMING FACILITY.

(3) THE CORPORATE CASINO SHALL PAY TO THE GAMING INVESTORS GROUP OR GAMING INVESTMENT GROUP ON A BI-ANNUAL BASIS BEGINNING SEVEN (7) MONTHS AFTER THE OPENING OF THE CORPORATE CASINO AND EVERY SIX (6) MONTHS THEREAFTER TEN PERCENT OF THE TOTAL NET PROFITS. THE GAMING INVESTORS GROUP OR GAMING INVESTMENT GROUP SHALL DISPENSE THE FUNDS MINUS A MINOR DISPERSAL MANAGEMENT FEE OF ONE-QUARTER OF ONE PERCENT. THE INVESTMENT PAYOUT SHALL BE DIVIDED EQUALLY AMONG THE INVESTORS BASED ON THE NUMBER OF INVESTMENT UNITS OWNED BY EACH INVESTOR.

(4) THE RACETRACK CASINO SHALL PAY TO THE GAMING INVESTORS GROUP OR GAMING INVESTMENT GROUP ON A BI-ANNUAL BASIS BEGINNING SEVEN (7) MONTHS AFTER THE OPENING OF THE RACETRACK CASINO AND EVERY SIX (6) MONTHS THEREAFTER FIVE-PERCENT OF THE TOTAL NET PROFITS. THE GAMING INVESTORS GROUP OR GAMING INVESTMENT GROUP SHALL DISPENSE THE FUNDS MINUS A MINOR DISPERSAL MANAGEMENT FEE OF ONE-QUARTER OF ONE PERCENT. THE REMAINING INVESTMENT PAYOUT SHALL BE DIVIDED EQUALLY AMONG THE INVESTORS BASED ON THE NUMBER OF INVESTMENT UNITS OWNED BY EACH INVESTOR.

(5) "TOTAL NET PROFITS" SHALL INCLUDE:

(A) PROFITS FROM CLASS III GAMING DEVICES AFTER PAYMENTS TO THE CORPORATE/RACETRACK BENEFITS FUND. ALL NET PROFITS FROM CLASS II GAMING. ALL NET PROFITS FROM ANY CLASS I GAMING.

(B) NET PROFITS FROM ALL OTHER GAMING ACTIVITY INCLUDING ALL CARD TABLE GAMES, AND OTHER TABLE GAMES INCLUDING BACCARAT, CRAPS/DICE AND ROULETTE; OTHER PROFITS FROM KENO, BINGO,

OFF-TRACK PARI-MUTUEL WAGERING, PARI-MUTUAL WAGERING ON HORSE RACING, PARI-MUTUAL WAGERING ON DOG RACING, AND LOTTERY.

(C) NET PROFITS FROM RESTAURANTS, CAFES, AND ALL OTHER CONCESSIONS.

(D) NET PROFITS FROM HOTELS, BARS, NIGHTCLUBS, GIFT SHOPS, CONCERTS, SHOWS, CONVENTIONS, PARTIES, TOURNAMENTS, GOLF COURSES, MOVIE THEATERS, STORES, AND ALL OTHER RELATED ACTIVITIES, INSIDE OR OUTSIDE THE GAMING FACILITY.

(LL) FINANCING ANY THIRD-PARTY FINANCING EXTENDED OR GUARANTEED FOR THE GAMING OPERATIONS AND GAMING FACILITY SHALL BE DISCLOSED TO THE ARIZONA DEPARTMENT OF GAMING, AND ANY PERSON EXTENDING SUCH FINANCING SHALL BE REQUIRED TO BE LICENSED BY THE STATE AND ANUALLY CERTIFIED BY THE ARIZONA DEPARTMENT OF GAMING, UNLESS SAID PERSON IS AN AGENCY OF THE UNITED STATES OR A LENDING INSTITUTION LICENSED AND REGULATED BY THE STATE OR THE UNITED STATES, OR A PRIVATE GAMING INVESTORS GROUP OR A PRIVATE GAMING INVESTMENT GROUP WHICH IS DESIGNATED AS SUCH WITH THE DESCRIPTION INCLUDED IN ITS CORPORATE NAME, AND DOMICILED IN ARIZONA.

SECTION 5. NEW AND EXISTING FUNDS RELATED TO GAMING CONTRIBUTIONS PUSUANT TO SECTION 5-605.01

(A) THE ARIZONA COLLEGE SCHOLARSHIP FUND IS ESTABLISHED PURSUANT TO CHAPTER 14, ARTICLE 5, SECTION 15-1853(A) (4) AND 15-1853(E), Arizona Revised Statutes.

SECTION 5-605.01(H)(7) AND 5-605.01(I)(7) THE ARIZONA COLLEGE SCHOLARSHIP FUND; APPLICATION; SELECTION; DISTRIBUTION OF FUNDS; ADOPTION OF RULES.

(1) THE COMMISSION ON POSTSECONDARY EDUCATION SHALL DEVELOP, IMPLEMENT AND ADMINISTER THE ARIZONA COLLEGE SCHOLARSHIP FUND. THE COMMISSION SHALL DEVELOP APPLICATION FORMS, PROCEDURES AND DEADLINES AND SHALL SELECT ELIGIBLE STUDENTS EACH YEAR FOR PARTICIPATION IN THE PROGRAM. PARTICIPATING FULL-TIME STUDENTS SHALL RECEIVE TUITION ANNUALLY FOR A MAXIMUM OF FOUR CALENDAR YEARS TO BE USED TO PAY TWENTY-FIVE PERCENT OF THE TOTAL TUITION COST AT A STATE RUN UNIVERSITY. PARTICIPATING FULL-TIME STUDENTS ATTENDING A COUNTY RUN COMMUNITY COLLEGE SHALL RECEIVE TUITION ANNUALLY FOR A MAXIMUM OF TWO CALENDAR YEARS TO BE USED TO PAY TWENTY-FIVE PERCENT OF THE TOTAL TUITION COST AT A COUNTY RUN COMMUNITY COLLEGE.

(2) THE AMOUNT OF TUITION AWARDED TO A PARTICIPATING PART-TIME STUDENT ENROLLED AT LEAST HALF-TIME FOR THE ACADEMIC YEAR AS DEFINED IN 20 UNITED STATES CODE SECTION 1088 SHALL BE PRORATED IN ACCORDANCE WITH THE PART-TIME STATUS OF THE STUDENT.

(3) EMPLOYEES OF PRIVATE POSTSECONDARY INSTITUTIONS AND FAMILY MEMBERS OF EMPLOYEES OF PRIVATE POSTSECONDARY INSTITUTIONS ARE NOT ELIGIBLE TO RECEIVE A SCHOLARSHIP PURSUANT TO THIS SECTION IF THE EMPLOYEE OR FAMILY MEMBER IS ELIGIBLE FOR TUITION REIMBURSEMENT OR A TUITION WAIVER AS A BENEFIT OF EMPLOYMENT.

(4) A STUDENT WHO HAS A BACCALAUREATE DEGREE FROM ANY POSTSECONDARY EDUCATION INSTITUTION IS NOT ELIGIBLE TO RECEIVE SCHOLARSHIP FUNDS PURSUANT TO THIS SECTION.

(5) STUDENTS WHO PROVIDE SATISFACTORY PROOF TO THE COMMISSION THAT A STUDENT HAS MET EACH OF THE FOLLOWING CRITERIA ARE ELIGIBLE TO SUBMIT AN APPLICATION FOR CONSIDERATION BY THE COMMISSION FOR TUITION FUNDS UNDER THE ARIZONA COLLEGE SCHOLARSHIP FUND:

(A) THE STUDENT EITHER:

2011 DEC -9 AM 10:10

- (1) IS CURRENTLY A RESIDENT OF THIS STATE AND HAS BEEN A RESIDENT OF THIS STATE FOR AT LEAST THE PAST TWELVE MONTHS.
- (2) IS A MEMBER OF THE MILITARY SERVICE OF THE UNITED STATES STATIONED IN THIS STATE OR THE SPOUSE OR DEPENDENT OF A MEMBER OF THE MILITARY SERVICE OF THE UNITED STATES, STATIONED IN ARIZONA.
- (3) THE STUDENT HAS MET THE QUALIFICATIONS ADOPTED BY THE COMISSION. THE COMMISSION SHALL ADOPT MINIMUM QUALIFICATIONS THAT ARE COMPARABLE TO THE ADMISSIONS STANDARDS ESTABLISHED BY THE ARIZONA BOARD OF REGENTS FOR ARIZONA PUBLIC UNIVERSITIES.
- (4) THE STUDENT REGISTERS FOR ENROLLEMENT AS A STUDENT IN A BACCALAUREATE PROGRAM AT A POSTSECONDARY EDUCATIONAL INSTITUTION IN THIS STATE THAT AWARDS FOUR YEAR BACCALAUREATE DEGREES, OR A COUNTY RUN COMMUNITY COLLEGE.
- (5) THE STUDENT HAS PROVIDED HIGH SCHOOL TRANSCRIPTS AS PROOF OF GRADUATION IF THE STUDENT HAS GRADUATED FROM A PUBLIC OR PRIVATE HIGH SCHOOL OR COMMUNITY COLLEGE. IF HIGH SCHOOL RECORDS NO LONGER EXIST FOR A STUDENT OR AFTER EVERY REASONABLE EFFORT HAS BEEN MADE TO OBTAIN OFFICIAL RECORDS, THE STUDENT MAY SUBMIT A LETTER CERTIFIED BY THE HIGH SCHOOL FROM WHICH THE STUDENT GRADUATED OR THE ORIGINAL HIGH SCHOOL DIPLOMA.
- (6) THE STUDENT HAS COMPLETED AND SUBMITTED A FREE APPLICATION FOR FEDERAL STUDENT AID.
- (7) THE STUDENT IS A CITIZEN OR LEGAL RESIDENT OF THE UNITED STATES.
- (B) THE COMMISSION SHALL ADMINISTER THE FUND. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED AND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS. THE COMMISSION SHALL MAKE TUITION PAYMENTS ARIZONA'S THREE PUBLIC UNIVERSITIES, AND EACH COUNTY RUN COMMUNITY COLLEGE.
- (C) IF THE AMOUNT OF MONIES AVAILABLE IN THE ARIZONA COLLEGE SCHOLARSHIP FUND IN ANY FISCAL AWARD YEAR IS INSUFFICIENT TO PROVIDE TUITION TO ALL ELIGIBLE APPLICANTS, THE COMMISSION SHALL AWARD TUITION PAYMENTS ON BEHALF OF ELIGIBLE STUDENTS IN THE ORDER IN WHICH THE APPLICATIONS WERE RECEIVED BY THE COMMISSION, EXCEPT THAT PRIORITY SHALL BE GIVEN TO QUALIFYING STUDENTS WHO RECEIVED TUITION THE PREVIOUS FISCAL YEAR AND WHO ARE STILL IN GOOD ACADEMIC STANDING AT THE SAME UNIVERSITY OR COMMUNITY COLLEGE. THE COMMISSION SHALL MAINTAIN A WAITING LIST FOR ALL OTHER APPLICANTS.
- (D) A STUDENT WHO FAILS TO RECEIVE A BACCALAUREATE DEGREE WITHIN A FIVE YEAR PERIOD OF RECEIPT OF TUITION SHALL REIMBURSE THE ARIZONA COLLEGE SCHOLARSHIP FUND FOR ALL AWARDS RECEIVED PURSUANT TO SUBSECTION A OF THIS SECTION. ON THE RECEIPT OF SUPPORTING DOCUMENTATION FROM THE STUDENT, FOR GOOD CAUSE SHOWN THE COMMISSION MAY PROVIDE FOR EXTENSIONS OF THE FIVE YEAR PERIOD TO OBTAIN A BACCALAUREATE DEGREE.
- (E) THE COMMISSION SHALL SUBMIT AN ANNUAL REPORT TO THE GOVERNOR, THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE JOINT LEGISLATIVE BUDGET COMMITTEE THAT INCLUDES A DETAILED DESCRIPTION OF THE AMOUNT OF MONIES DISTRIBUTED FROM THE ARIZONA COLLEGE SCHOLARSHIP FUND DURING THE PREVIOUS FISCAL YEAR AND THAT INCLUDES THE TOTAL NUMBER OF QUALIFIED APPLICANTS FOR TUITION, THE TOTAL NUMBER OF TUITION AWARDS, THE UNIVERSITY OR COMMUNITY COLLEGE ATTENDED BY TUITION RECIPIENTS, AND THE TOTAL NUMBER OF QUALIFIED APPLICANTS WHO WERE PLACED ON THE WAITING LIST. THE COMMISSION SHALL PROVIDE A

COPY OF THIS REPORT TO THE SECRETARY OF STATE AND THE DIRECTOR OF THE ARIZONA STATE LIBRARY, ARCHIVES AND PUBLIC RECORDS.

(F) IF THE COMMISSION IS NOTIFIED BY A UNIVERSITY OR COMMUNITY COLLEGE THAT A STUDENT WHO HAS RECEIVED TUITION FUNDS AND IS NO LONGER IN GOOD ACADEMIC STANDING AT THE UNIVERSITY OR COMMUNITY COLLEGE, THE COMMISSION SHALL IMMEDIATELY DISCONTINUE THE TUITION AND THE STUDENT SHALL REIMBURSE THE ARIZONA COLLEGE SCHOLARSHIP FUND, OR ANY UNUSED PORTION OR ANY UNLAWFULLY USED PORTION OF TUITION RECEIVED.

(G) THE COMMISSION SHALL DEVELOP A MARKETING STRATEGY THAT IS DESIGNED TO PROVIDE INFORMATION ABOUT THE ARIZONA COLLEGE SCHOLARSHIP FUND TO ALL PUBLIC AND PRIVATE HIGH SCHOOL STUDENTS IN THIS STATE.

(H) BEGINNING ON JANUARY 15, 2014 AND EVERY YEAR THEREAFTER THE COMMISSION ON POSTSECONDARY EDUCATION SHALL DEVELOP AND MAKE APPLICATION FORMS, FOR TUITION SCHOLARSHIPS PURSUANT TO THIS SECTION AVAILABLE AT ALL PUBLIC AND PRIVATE HIGH SCHOOLS IN THE STATE AND TO THE PUBLIC. TUITION SCHOLARSHIPS SHALL ONLY BE AWARDED FOR USE AT A STATE RUN UNIVERSITY OR COMMUNITY COLLEGE WITHIN THE STATE. OF THE MONIES RECEIVED BY THE ARIZONA DEPARTMENT OF EDUCATION FOR TUITION SCHOLARSHIPS DERIVED FROM THE ARIZONA COLLEGE SCHOLARSHIP FUND ESTABLISHED IN SECTION 5-605.01; SIXTY (60) PERCENT OF THE MONIES SHALL BE USED FOR SCHOLARSHIPS TO ATTEND STATE RUN UNIVERSITIES IN THE STATE AND FORTY (40) PERCENT OF THE MONIES SHALL BE USED FOR SCHOLARSHIPS TO ATTEND COMMUNITY COLLEGES IN THE STATE.

(I) FOR EACH YEAR BEGINNING IN 2014, THE COMMISSION SHALL DETERMINE THE NUMBER OF AVAILABLE SCHOLARSHIPS TO BE AWARDED FOR THAT SCHOOL YEAR.

(J) FOR EACH YEAR BEGINNING IN 2015, THE COMMISSION SHALL NOTIFY BY FIRST CLASS MAIL EACH PERSON CHOSEN TO RECEIVE A SCHOLARSHIP PURSUANT TO THIS SECTION.

(K) FOR EACH YEAR BEGINNING IN 2015, EACH SCHOLARSHIP RECIPIENT SHALL SUBMIT TO THE COMMISSION PROOF OF FULL-TIME ENROLLMENT FOR EACH SEMESTER IN AN ARIZONA UNIVERSITY OR COMMUNITY COLLEGE. THE COMMISSION SHALL DETERMINE THE PREREQUISITE PROOF NEEDED TO SATISFY THE REQUIREMENTS OF THIS SUBSECTION. IF AN AWARD RECIPIENT DOES NOT COMPLY WITH THE REQUIREMENTS OF THIS SUBSECTION, ANY MONIES ALLOCATED FOR THE PAYMENT OF TUITION FOR THAT AWARD RECIPIENT SHALL REVERT TO THE ARIZONA COLLEGE SCHOLARSHIP FUND ESTABLISHED IN SECTIONS 5-605.01 TO BE REALLOCATED AS PART OF ANOTHER SCHOLARSHIP PURSUANT TO THIS SECTION.

(L) FOR EACH YEAR BEGINNING IN, 2015 THE COMMISSION SHALL NOTIFY THE STATE TREASURER OF THE AMOUNT TO BE DISTRIBUTED TO EACH UNIVERSITY AND COMMUNITY COLLEGE TO COVER THE COST OF TUITION SCHOLARSHIPS AWARDED FOR THAT SCHOOL YEAR. THE COMMISSION SHALL ALSO NOTIFY THE STATE TREASURER OF THE AMOUNT TO BE DISTRIBUTED FOR EXPENSES INCURRED, TO COMPLY WITH THE REQUIREMENT OF THIS SECTION, NOT TO EXCEED \$200,000.00 PER YEAR.

(M) FOR EACH YEAR BEGINNING IN 2015, THE COMMISSION SHALL PROVIDE A LIST OF SCHOLARSHIP RECIPIENTS FOR THAT SCHOOL YEAR TO EACH UNIVERSITY AND COMMUNITY COLLEGE REGISTRATION OFFICE.

(N) THE COMMISSION SHALL ADOPT RULES TO IMPLEMENT THE REQUIREMENTS OF THIS SECTION, INCLUDING RULES ESTABLISHING AWARD CRITERIA FOR SCHOLARSHIPS BASED ON AN APPLICANTS MERIT AND FINANCIAL NEED AND ESTABLISH DEADLINES TO ENSURE THE TIMELY DISTRIBUTION OF SCHOLARSHIP

2011 DEC -9 AM 10:11

MONIES. RULES ADOPTED BY THE COMMISSION SHALL BE CONSISTENT WITH THE PURPOSE OF PROVIDING SCHOLARSHIPS TO ARIZONA RESIDENTS TO ATTEND ARIZONA RUN INSTITUTIONS OF HIGHER LEARNING. FOR THE PURPOSES OF THIS SECTION, THE COMMISSION ON POSTSECONDARY EDUCATION IS EXEMPT FROM THE RULE MAKING REQUIREMENTS OF TITLE 41, CHAPTER 6.

(O) MONIES DEPOSITED IN THE ARIZONA COLLEGE SCHOLARSHIP FUND ESTABLISHED IN SECTION 5-605.01 ARE NOT SUBJECT TO LEGISLATIVE APPROPRIATION AND ARE CONTINUOUSLY APPROPRIATED AND EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS. MONIES PURSUANT TO THIS SECTION ARE INTENDED TO SUPPLEMENT NOT SUPPLANT EXISTING APPROPRIATED TUITION FUNDING.

(B) THE ARIZONA COUNTY FAIRS RACING BETTERMENT FUND IS ESTABLISHED UNDER THE JURISDICTION OF THE DEPARTMENT OF RACING. THE DEPARTMENT OF RACING SHALL DISTRIBUTE MONIES FROM THE FUND TO THE COUNTY FAIR ASSOCIATION OR COUNTY FAIR RACING ASSOCIATION OF EACH COUNTY CONDUCTING A COUNTY FAIR RACING MEETING IN SUCH PROPORTION AS THE DEPARTMENT OF RACING DEEMS NECESSARY FOR THE PROMOTION AND BETTERMENT OF THE COUNTY FAIR RACING MEETINGS. ALL EXPENDITURES FROM THE FUND SHALL BE MADE UPON CLAIMS APPROVED BY THE DEPARTMENT OF RACING. IN ORDER TO BE ELIGIBLE FOR DISTRIBUTIONS FROM THE FUND, A COUNTY FAIR ASSOCIATION MUST PROVIDE THE DEPARTMENT OF RACING WITH AN ANNUAL CERTIFICATION IN THE FORM REQUIRED BY THE DEPARTMENT OF RACING SUPPORTING EXPENDITURES MADE FROM THE FUND. BALANCES REMAINING IN THE END OF A FISCAL YEAR DO NOT REVERT TO THE STATE GENERAL FUND.

(C) (1) THE COUNTY FAIRS LIVESTOCK AND AGRICULTURE PROMOTION FUND IS ESTABLISHED UNDER THE CONTROL OF THE GOVERNOR AND SHALL BE USED FOR THE PURPOSE OF PROMOTING THE LIVESTOCK AND AGRICULTURAL RESOURCES OF THE STATE AND FOR THE PURPOSE OF CONDUCTING AN ANNUAL ARIZONA NATIONAL LIVESTOCK FAIR BY THE ARIZONA EXPOSITION AND STATE FAIR BOARD TO FURTHER PROMOTE LIVESTOCK RESOURCES. THE DIRECT EXPENSES LESS RECEIPTS OF THE LIVESTOCK FAIR SHALL BE PAID FROM THIS FUND, BUT SUCH PAYMENT SHALL NOT EXCEED THIRTY PER CENT OF THE RECEIPTS OF THE FUND FOR THE PRECEDING FISCAL YEAR. BALANCES REMAINING IN THE FUND AT THE END OF A FISCAL YEAR DO NOT REVERT TO THE STATE GENERAL FUND. ALL EXPENDITURES FROM THE FUND SHALL BE MADE UPON CLAIMS APPROVED BY THE GOVERNOR, AS RECOMMENDED BY THE LIVESTOCK AND AGRICULTURE COMMITTEE, FOR THE PROMOTION AND BETTERMENT OF THE LIVESTOCK AND AGRICULTURAL RESOURCES OF THIS STATE. THE LIVESTOCK AND AGRICULTURE COMMITTEE IS ESTABLISHED AND SHALL BE COMPOSED OF THE FOLLOWING MEMBERS, AT LEAST THREE OF WHOM ARE FROM COUNTIES THAT HAVE A POPULATION OF LESS THAN FIVE HUNDRED THOUSAND PERSONS, APPOINTED BY THE GOVERNOR:

- (1) THREE MEMBERS REPRESENTING COUNTY FAIRS.
- (2) ONE MEMBER REPRESENTING ARIZONA LIVESTOCK FAIRS.
- (3) ONE MEMBER REPRESENTING THE UNIVERSITY OF ARIZONA COLLEGE OF AGRICULTURE.
- (4) ONE MEMBER REPRESENTING THE LIVESTOCK INDUSTRY.
- (5) ONE MEMBER REPRESENTING THE FARMING INDUSTRY.
- (6) ONE MEMBER REPRESENTING THE GOVERNOR'S OFFICE.
- (7) ONE MEMBER REPRESENTING THE ARIZONA STATE FAIR CONDUCTED BY THE ARIZONA EXPOSITION AND STATE FAIR BOARD.
- (8) ONE MEMBER REPRESENTING THE GENERAL PUBLIC.

(2) THE GOVERNOR SHALL APPOINT A CHAIRMAN FROM THE MEMBERS. TERMS OF MEMBERS SHALL BE FOUR YEARS.

11:10 AM 6-DEC-2011

SECRETARY OF STATE

(3) MEMBERS OF THE COMMITTEE ARE NOT ELIGIBLE TO RECEIVE COMPENSATION BUT ARE ELIGIBLE TO RECEIVE REMIMBURSEMENT FOR EXPENSES PURSUANT TO TITLE 38, CHAPTER 4, ARTICLE 2.

(D) THE ARIZONA BREEDERS' AWARD FUND IS ESTABLISHED UNDER THE JURISDICTION OF THE DEPARTMENT OF RACING. THE DEPARTMENT OF RACING SHALL DISTRIBUTE MONIES FROM THE FUND TO THE BREEDER, OR THE BREEDER'S HEIRS, DEVISEES OR SUCCESSORS, OF EVERY WINNING HORSE OR GREYHOUND FOAL OR WHelpED IN THIS STATE, AS DEFINED BY SECTION 5-114, IN A MANNER AND IN AN AMOUNT ESTABLISHED BY RULES OF THE COMMISSION TO PROTECT THE INTEGRITY OF THE RACING INDUSTRY AND PROMOTE, IMPROVE AND ADVANCE THE QUALITY OF RACE HORSE AND GREYHOUND BREEDING WITHIN THIS STATE. THE DEPARTMENT MAY CONTRACT WITH A BREEDER'S ASSOCIATION TO PROVIDE DATA, STATISTICS AND OTHER INFORMATION NECESSARY TO ENABLE THE DEPARTMENT TO CARRY OUT THE PURPOSES OF THIS SUBSECTION. PERSONS WHO ARE NOT ELIGIBLE TO BE LICENSED UNDER SECTION 5-107.01 OR PERSONS WHO HAVE BEEN REFUSED LICENSES UNDER SECTION 5-108 ARE NOT ELIGIBLE TO PARTICIPATE IN THE ARIZONA GREYHOUND BREEDERS' AWARD FUND. BALANCES REMAINING IN THE FUND AT THE END OF A FISCAL YEAR DO NOT REVERT TO THE STATE GENERAL FUND. FOR THE PURPOSES OF THIS SUBSECTION, "BREEDER" MEANS THE OWNER OR LESSEE OF THE DAM OF THE ANIMAL AT THE TIME THE ANIMAL WAS FOAL OR WHelpED.

(E) THE ARIZONA STALLION AWARD FUND IS ESTABLISHED UNDER THE JURISDICTION OF THE DEPARTMENT OF RACING TO PROMOTE, IMPROVE AND ADVANCE THE QUALITY OF STALLIONS IN THIS STATE. THE DEPARTMENT OF RACING SHALL DISTRIBUTE MONIES FROM THE FUND TO THE OWNER OR LESSEE, OR THE OWNER'S OR LESSEE'S HEIRS, DEVISEES OR SUCCESSORS, OF EVERY ARIZONA STALLION WHOSE CERTIFIED ARIZONA BRED OFFSPRING, AS PRESCRIBED IN SECTION 5-114, FINISHES FIRST, SECOND OR THIRD IN AN ELIGIBLE RACE IN THIS STATE. THE DEPARTMENT OF RACING MAY CONTRACT WITH A BREEDERS' ASSOCIATION TO PROVIDE DATA, STATISTICS AND OTHER INFORMATION NECESSARY TO ENABLE THE DEPARTMENT TO CARRY OUT THE PURPOSES OF THIS SUBSECTION. BALANCES REMAINING IN THE FUND AT THE END OF A FISCAL YEAR DO NOT REVERT TO THE STATE GENERAL FUND. THE COMMISSION SHALL ADOPT RULES PURSUANT TO TITLE 41, CHAPTER 6 TO CARRY OUT THE PURPOSES OF THIS SUBSECTION. THE RULES SHALL PRESCRIBE AT A MINIMUM:

1. THE MANNER AND PROCEDURE FOR DISTRIBUTION FROM THE FUND, INCLUDING ELIGIBILITY REQUIREMENTS FOR OWNERS AND LESSEES.
2. SUBJECT TO AVAILABILITY OF MONIES IN THE FUND, THE AMOUNT TO BE AWARDED.
3. THE REQUIREMENTS FOR A STALLION REGISTERED WITH THE JOCKEY CLUB, LEXINGTON, KENTUCKY OR WITH THE AMERICAN QUARTER HORSE ASSOCIATION, AMARILLO, TEXAS TO BE CERTIFIED AS AN ARIZONA STALLION.
4. THE TYPES AND REQUIREMENTS OF RACES FOR WHICH AN AWARD MAY BE MADE.

(F) THE RACING GREYHOUND AND RACE HORSE ADOPTION FUND IS ESTABLISHED. THE DEPARTMENT OF RACING SHALL ADMINISTER THE FUND. ALL REVENUES DERIVED FROM LICENSE FEES COLLECTED FROM DOG BREEDERS, RACING KENNELS AND OTHER OPERATIONS PURSUANT TO SECTION 5-104, SUBSECTION F, PARAGRAPHS 7, 8 AND 9 SHALL BE DEPOSITED, PURSUANT TO SECTIONS 35-146 AND 35-147, IN THE FUND. THE DEPARTMENT OF RACING SHALL DISTRIBUTE MONIES FROM THE FUND TO PROVIDE FINANCIAL ASSISTANCE TO NONPROFIT ENTERPRISES APPROVED BY THE RACING COMMISSION TO PROMOTE THE ADOPTION OF FORMER RACING GREYHOUND AND RACE HORSE ANIMALS IN A MANNER AND IN AN

AMOUNT ESTABLISHED BY RULES OF THE RACING COMMISSION. ONE-HALF OF THE FUNDS SHALL BE DISTRIBUTED TO PROMOTE RACING GREYHOUND ADOPTIONS, AND ONE-HALF OF THE FUNDS SHALL BE DISTRIBUTED TO PROMOTE RACE HORSE ADOPTIONS. BALANCES REMAINING IN THE FUND AT THE END OF A FISCAL YEAR SHALL REVERT TO THE COUNTY FAIR RACING FUND.

(G) THE COUNTY FAIR RACING FUND IS ESTABLISHED. THE DEPARTMENT SHALL ADMINISTER THE FUND. SUBJECT TO LEGISLATIVE APPROPRIATION, THE DEPARTMENT SHALL USE FUND MONIES FOR THE ADMINISTRATION OF COUNTY FAIR RACING. ANY MONIES REMAINING UNEXPENDED IN THE FUND AT THE END OF THE FISCAL YEAR IN EXCESS OF SEVENTY-FIVE THOUSAND DOLLARS SHALL REVERT TO THE ARIZONA EXPOSITION AND STATE FAIR FUND.

(H) THE AGRICULTURAL CONSULTING AND TRAINING FUND IS ESTABLISHED. THE ARIZONA DEPARTMENT OF AGRICULTURE SHALL ADMINISTER THE FUND. SUBJECT TO LEGISLATIVE APPROPRIATION, THE ARIZONA DEPARTMENT OF AGRICULTURE SHALL USE MONIES IN THE FUND FOR THE AGRICULTURAL CONSULTING AND TRAINING PROGRAM ESTABLISHED BY SECTION 3-109.01. BALANCES REMAINING IN THE FUND AT THE END OF A FISCAL YEAR DO NOT REVERT TO THE STATE GENERAL FUND.

Section 6. AMENDMENTS.

(A) Section 5-601.02(h)(1)(a)(b) and (c) Arizona Revised Statutes, is amended to read:

~~(H) Additional gaming due to changes in state law with respect to persons other than Indian tribes.~~

~~(1) If, on or after May 1, 2002, state law changes or is interpreted in a final judgment of a court of competent jurisdiction or in a final order of a state administrative agency to permit either a person or entity other than an Indian tribe to operate gaming devices; any form of class III gaming (including video lottery terminals) that is not authorized under this compact, other than gambling that is lawful on May 1, 2002 pursuant to A.R.S. Section 13-3302; or poker, other than poker that is lawful on May 1, 2002 pursuant to A.R.S. Section 13-3302, then, upon the effective date of such state law, final judgment, or final order:~~

~~(A) The tribe shall be authorized under this compact to operate Class III gaming devices without limitations on the number of gaming devices, the number of gaming facilities, or the maximum gaming devices per gaming facility, and without the need to amend this compact:~~

~~(B) The tribe shall be authorized under this compact to operate table games, without limitations on the number of card game tables, on wagers, or on the types of games, and without the need to amend this compact, subject to the provisions of 3(b)(3); and~~

~~(C) In addition to sections 3(h)(1)(a) and (b), the tribe's obligation under section 12 to make contributions to the state shall be immediately reduced. Instead of the amounts payable under section 12(B), the tribe shall make quarterly contributions to the state equal to seventy-five hundredths of one percent (.75%) of its class III net win for the prior quarter.~~

Section 5-601.02(H)(1)(A)(B) and (C),

(H) ADDITIONAL GAMING DUE TO CHANGES IN STATE LAW WITH RESPECT TO PERSONS OTHER THAN INDIAN TRIBES; EXCLUSIVITY.

(1) IN RECOGNITION OF THE TRIBE'S AGREEMENT TO MAKE THE PAYMENTS SPECIFIED IN SECTION (12)(B), THE TRIBE SHALL HAVE THE FOLLOWING RIGHTS:

(A) IN THE EVENT THE EXCLUSIVE RIGHT OF ARIZONA INDIAN TRIBES TO OPERATE GAMING DEVICES IS ABROGATED BY THE ENACTMENT, AMENDMENT, OR REPEAL OF A STATE STATUTE OR CONSTITUTIONAL PROVISION, OR THE CONCLUSIVE AND DISPOSITIVE JUDICIAL CONSTRUCTION OF A STATUTE OR THE STATE CONSTITUTION BY AN ARIZONA APPELLATE COURT AFTER THE EFFECTIVE DATE OF THIS COMPACT, THAT GAMING DEVICES MAY LAWFULLY BE OPERATED BY ANOTHER PERSON, ORGANIZATION, OR ENTITY (OTHER THAN AN INDIAN TRIBE PURSUANT TO A COMPACT) WITHIN ARIZONA, THE TRIBE SHALL HAVE THE RIGHT TO EXERCISE ONE OF THE FOLLOWING OPTIONS:

(1) TERMINATE THIS COMPACT, IN WHICH CASE THE TRIBE WILL LOSE THE RIGHT TO OPERATE GAMING DEVICES AND OTHER CLASS III GAMING AUTHORIZED BY THIS COMPACT; OR
(2) CONTINUE UNDER THE COMPACT WITH AN ENTITLEMENT TO A REDUCTION OF THE RATE SPECIFIED IN SECTION (12)(B), FOLLOWING CONCLUSION OF NEGOTIATIONS, TO PROVIDE FOR (I) COMPENSATION TO THE STATE OF ARIZONA FOR THE ACTUAL AND REASONABLE COSTS OF REGULATION, AS DETERMINED BY THE ARIZONA DEPARTMENT OF GAMING AND THE ARIZONA ATTORNEY GENERAL'S OFFICE IN CONNECTION WITH THE IMPLEMENTATION AND ADMINISTRATION OF THE COMPACT; (II) REASONABLE PAYMENTS TO LOCAL GOVERNMENTS IMPACTED BY TRIBAL GOVERNMENT GAMING, THE AMOUNT TO BE DETERMINED BASED UPON ANY INTERGOVERNMENTAL AGREEMENT ENTERED INTO PURSUANT TO THIS SECTION IF SUCH INTERGOVERNMENTAL AGREEMENT IS IN EFFECT; (III) GRANTS FOR PROGRAMS DESIGNED TO ADDRESS GAMBLING ADDICTION; AND (IV) SUCH ASSESSMENTS AS MAY BE PERMISSIBLE AT SUCH TIME, UNDER FEDERAL LAW. SUCH NEGOTIATIONS SHALL COMMENCE WITHIN FIFTEEN (15) DAYS AFTER RECEIPT OF A WRITTEN REQUEST BY A PARTY TO ENTER INTO THE NEGOTIATIONS, UNLESS BOTH PARTIES AGREE IN WRITING TO A SHORTER PERIOD, OR TO AN EXTENSION OF TIME. IF THE TRIBE AND STATE FAIL TO REACH AGREEMENT ON THE AMOUNT OF REDUCTION OF THE RATE OF PAYMENTS WITHIN SIXTY (60) DAYS FOLLOWING COMMENCEMENT OF THE NEGOTIATIONS SPECIFIED IN THIS SECTION, THE AMOUNT SHALL BE DETERMINED BY ARBITRATION PURSUANT TO SECTION (15)(C) OF THIS COMPACT.

(3) THERE SHALL BE NO INTERGOVERNMENTAL AGREEMENT BY THE STATE OF ARIZONA, THE ARIZONA ATTORNEY GENERAL'S OFFICE, OR THE ARIZONA DEPARTMENT OF GAMING, TO THE REDUCTION IN CONTRIBUTIONS TO THE ARIZONA BENEFITS FUND, DISTRIBUTIONS BY (TRIBE) TO CITIES, TOWNS AND COUNTIES FOR GOVERNMENT SERVICES THAT BENEFIT THE GENERAL PUBLIC, INCLUDING PUBLIC SAFETY, MITIGATION OF IMPACTS OF GAMING, OR PROMOTION OF COMMERCE AND ECONOMIC DEVELOPMENT FUNDS, OR DEPOSITS TO THE COMMERCE AND ECONOMIC DEVELOPMENT COMMISSION LOCAL COMMUNITIES FUND ESTABLISHED BY A.R.S. SECTION 41-1505.12, UNTIL THE OPENING DAY OF THE FIRST NON-TRIBAL, CORPORATE OR RACETRACK GAMING FACILITY.

(B) Section 5-601.02(J)(1)(2) Arizona Revised Statutes is amended to read:

~~(J) Location of gaming facility.~~

~~(1) All gaming facilities shall be located on Indian lands of the Tribe. All gaming facilities of the Tribe shall be located not less than one and one-half (1-1/2) miles apart unless the configuration of the Indian lands of an Indian Tribe makes the requirement impracticable. The Tribe shall notify the state gaming agency of the physical location of any gaming facility a minimum of thirty (30) days prior to commencing gaming activities at such location. Gaming activity on lands acquired after the enactment of the Act on October 17, 1988 shall be authorized only in accordance with 25 U.S.C. Section 2719.~~

~~(2) Notice to surrounding communities. The tribe shall notify surrounding communities regarding new or substantial modifications to gaming facilities and shall develop procedures for consultation with surrounding communities regarding new or substantial modifications to gaming facilities.~~

SECTION 5-601.02(J)(1)(2)

(J) LOCATION OF INDIAN GAMING FACILITY.

(1) THE TRIBE MAY ENGAGE IN CLASS III GAMING ONLY ON ELIGIBLE INDIAN LANDS OWNED BY THE TRIBE, AT FACILITIES LOCATED WITHIN THE BOUNDARIES OF THE TRIBE AS THOSE BOUNDARIES EXISTS AS OF THE EXECUTION DATE OF THIS COMPACT.

(2) GAMING ACTIVITY ON LANDS ACQUIRED AFTER THE ENACTMENT OF THE ("INDIAN GAMING PRESERVATION AND SELF-RELIANCE ACT.") ADOPTED BY THE PEOPLE OF ARIZONA AT THE NOVEMBER 5, 2002 ELECTION IS STRICTLY PROHIBITED. ALL GAMING FACILITIES OF THE TRIBE SHALL BE LOCATED NOT LESS THAN ONE AND ONE-HALF (1-1/2) MILES APART UNLESS THE CONFIGURATION OF THE INDIAN LANDS OF AN INDIAN TRIBE MAKES THIS REQUIREMENT IMPRACTICABLE. THE TRIBE SHALL NOTIFY THE ARIZONA DEPARTMENT OF GAMING OF THE PHYSICAL LOCATION OF ANY GAMING FACILITY A MINIMUM OF THIRTY

21:01 AM 6-9 DEC 2011

(30) DAYS PRIOR TO COMMENCING GAMING ACTIVITIES AT SUCH LOCATION. GAMING ACTIVITY ON LANDS ACQUIRED AFTER THE ENACTMENT OF THE "INDIAN GAMING REGULATORY ACT" OF 1988 (P.L. 100-497; 102 STAT. 2467; 25 UNITED STATES CODE SECTIONS 2701 THROUGH 2721 AND 18 UNITED STATES CODE SECTIONS 1166 THROUGH 1168) ON OCTOBER 17, 1988 SHALL BE AUTHORIZED ONLY IN ACCORDANCE WITH U.S.C. SECTION 2719. WHERE THE ACTS CONFLICT PURSUANT TO THIS SECTION THE AMENDED LANGUAGE OF SECTION 5-601.02(J)(1) AND (2) SHALL PREVAIL.

SECTION 6 Title 15, Chapter 9, Article 5, Arizona Revised Statutes, Section 15-979(A) AND (B), is amended as follows:

(C) 15-979. Instructional Improvement Fund

~~A. The instructional improvement fund is established consisting of monies deposited pursuant to sections 5-601.02(H)(3)(a)(i) and 5-601.02(H)(3)(b)(i), and interest earned on those monies. The department of education shall administer the fund. The fund is not subject to appropriation, and expenditures from the fund are not subject to outside approval notwithstanding any statutory provision to the contrary.~~

~~B. Monies received pursuant to section 5-601.02 shall be deposited directly with the instructional improvement fund. On notice from the department of education, the state treasurer shall invest and divest monies in the fund as provided by section 35-313, and monies earned from investment shall be credited to the fund. No monies in the instructional improvement fund shall revert to or be deposited in any other fund, including the state general fund. Monies in the instructional improvement fund are exempt from the provisions of section 35-190 relating to the lapsing of appropriations. Monies provided from the instructional improvement fund shall supplement, not supplant, existing state and local monies.~~

15-979. INSTRUCTIONAL IMPROVEMENT FUND

A. THE INSTRUCTIONAL IMPROVEMENT FUND IS ESTABLISHED CONSISTING OF MONIES DEPOSITED PURSUANT TO SECTIONS 5-601.02(H)(3)(A)(I), and 5-501.02(H)(3)(B)(I), AND MONIES DEPOSITED IN A SEPARATE ACCOUNT PURSUANT TO SECTIONS 5-605.01(H)(2) AND SECTION 5-605.01(I)(2) AND INTEREST EARNED ON THOSE MONIES. THE DEPARTMENT OF EDUCATION SHALL ADMINISTER THE FUND. THE FUND IS NOT SUBJECT TO APPROPRIATION, AND EXPENDITURES FROM THE FUND ARE NOT SUBJECT TO OUTSIDE APPROVAL NOTWITHSTANDING ANY STATUTORY PROVISION TO THE CONTRARY.

(B) MONIES RECEIVED PURSUANT TO SECTION 5-601.02 AND SECTION 5-605.01 SHALL BE DEPOSITED DIRECTLY WITH THE INSTRUCTIONAL IMPROVEMENT FUND. ON NOTICE FROM THE DEPARTMENT OF EDUCATION, THE STATE TREASURER SHALL INVEST AND DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND. NO MONIES IN THE INSTRUCTIONAL IMPROVEMENT FUND SHALL REVERT TO OR BE DEPOSITED IN ANY OTHER FUND, INCLUDING THE STATE GENERAL FUND. MONIES IN THE INSTRUCTIONAL IMPROVEMENT FUND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO THE LAPSING OF APPROPRIATIONS. MONIES PROVIDED FROM THE INSTRUCTIONAL IMPROVEMENT FUND SHALL SUPPLEMENT, NOT SUPPLANT, EXISTING STATE AND LOCAL MONIES.

(D) Title 36, Chapter 29, Article 1, Arizona Revised Statutes, 36-2903.07(A)(B) is amended as follows:

36-2903.07. Trauma and Emergency Services Fund

~~(A) The trauma and emergency services fund is established consisting of monies deposited pursuant to section 5-601.02(H)(3)(b)(ii) and interest earned on those monies. The Arizona health care cost containment system administration shall administer the fund. The fund is not subject to appropriation, and expenditures from the fund are not subject to outside approval notwithstanding any statutory provision to the contrary.~~

~~(B) Monies received pursuant to section 5-601.02 and 5-605.01 shall be deposited directly with the Trauma and Emergency Services and Fund. On notice from the administration, the state treasurer shall invest and~~

2011 DEC -9 AM 10:12

~~divest monies in the fund as provided by section 35-313, and monies earned from investment shall be credited to the fund. No monies in the Trauma and Emergency Services fund shall revert to or be deposited in any other fund, are exempt from the provisions of section 35-190 relating to the lapsing of appropriations. Monies provided from the Trauma and Emergency Services Fund shall supplement, not supplant, existing monies.~~

36-2903.07. TRAUMA AND EMERGENCY SERVICES FUND

(A) THE TRAUMA AND EMERGENCY SERVICES FUND IS ESTABLISHED CONSISTING OF MONIES DEPOSITED PURSUANT TO SECTION 5-601.02(H)(3)(B)(II) AND MONIES DEPOSITED IN A SEPARATE ACCOUNT PURSUANT TO SECTIONS 5-605.01(H)(4) AND 5-605.01(I)(4) AND INTEREST EARNED ON THOSE MONIES. THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION SHALL ADMINISTER THE FUND. THE FUND IS NOT SUBJECT TO APPROPRIATION, AND EXPENDITURES FROM THE FUND ARE NOT SUBJECT TO OUTSIDE APPROVAL NOTWITHSTANDING ANY STATUTORY PROVISION TO THE CONTRARY.

(B) MONIES RECEIVED PURSUANT TO SECTION 5-601.02 AND 5-605.01 SHALL BE DEPOSITED DIRECTLY WITH THE TRAUMA AND EMERGENCY SERVICES AND FUND. ON NOTICE FROM THE ADMINISTRATION, THE STATE TREASURER SHALL INVEST AND DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND. NO MONIES IN THE TRAUMA AND EMERGENCY SERVICES FUND SHALL REVERT TO OR BE DEPOSITED IN ANY OTHER FUND, ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO THE LAPSING OF APPROPRIATIONS. MONIES PROVIDED FROM THE TRAUMA AND EMERGENCY SERVICES FUND SHALL SUPPLEMENT, NOT SUPPLANT, EXISTING MONIES.

(E) Title 17, Chapter 2, Arizona Revised Statutes, Article 7, Section 17-299(A)(B) is amended as follows:

17-299. Arizona Wildlife Conservation Fund

~~(A) The Arizona Wildlife Conservation Fund is established consisting of monies deposited pursuant to section 5-601.02(H)(3)(b)(iii) and interest earned on those monies. The Arizona state game and fish commission shall administer the fund. The fund is not subject to appropriation, and expenditures from the fund are not subject to outside approval notwithstanding any provision of sections 17-241 or 17-261 or any other statutory provisions to the contrary.~~

~~(B) Monies received pursuant to sections 5-601.02, shall be deposited directly with the Arizona wildlife conservation fund. On notice from the Arizona state game and fish commission, the state treasurer shall invest and divest monies in the fund as provided by section 35-313, and monies earned from investment shall be credited to the fund. No monies in the Arizona wildlife conservation fund shall revert to or be deposited in any other fund, including the state general fund. Monies in Arizona wildlife conservation fund are exempt from the provisions of section 35-190 relating to the lapsing of appropriations. Monies provided from the Arizona wildlife conservation fund shall supplement, not supplant, existing monies.~~

17-299. ARIZONA WILDLIFE CONSERVATION FUND

THE ARIZONA WILDLIFE CONSERVATION FUND IS ESTABLISHED CONSISTING OF MONIES DEPOSITED PURSUANT TO SECTION 5-601.02(H)(3)(B)(III), AND MONIES DEPOSITED IN A SEPARATE ACCOUNT PURSUANT TO SECTION 5-605.01(H)(5) AND SECTION 5-605.01(I)(5) AND INTEREST EARNED ON THOSE MONIES.

(1) THE ARIZONA STATE GAME AND FISH COMMISSION SHALL ADMINISTER THE FUND. THE FUND IS NOT SUBJECT TO APPROPRIATION, AND EXPENDITURES FROM THE FUND ARE NOT SUBJECT TO OUTSIDE APPROVAL NOTWITHSTANDING ANY PROVISION OF SECTIONS 17-241 OR 17-261 OR ANY OTHER STATUTORY PROVISIONS TO THE CONTRARY.

(2) MONIES RECEIVED PURSUANT TO SECTIONS 5-601.02 AND 5-605.01 SHALL BE DEPOSITED IN SEPARATE ACCOUNTS DIRECTLY WITH THE ARIZONA WILDLIFE CONSERVATION FUND. ON NOTICE FROM THE ARIZONA STATE GAME AND FISH COMMISSION, THE STATE TREASURER SHALL INVEST AND DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND. NO MONIES IN THE ARIZONA WILDLIFE CONSERVATION FUND SHALL REVERT TO OR BE DEPOSITED IN ANY OTHER FUND, INCLUDING THE STATE GENERAL FUND. MONIES IN THE ARIZONA WILDLIFE CONSERVATION FUND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO THE LAPSING OF APPROPRIATIONS. MONIES PROVIDED FROM THE ARIZONA WILDLIFE CONSERVATION FUND SHALL SUPPLEMENT, NOT SUPPLANT, EXISTING MONIES

Section 41-2306, Arizona Revised Statutes, as amended by laws 2000, chapter 375, section 3, is amended to read:

(F) 41-2306. Tourism fund

~~A. The tourism fund is established consisting of separate accounts derived from:~~

~~(1) Revenues deposited pursuant to section 42-5029, subsection D, paragraph 4, subdivision (F). The legislature shall appropriate all monies in this account to the office of tourism for the purposes of operations and statewide tourism promotion.~~

~~(2) Revenues deposited pursuant to section 5-835, subsection B or C. the legislature shall appropriate all monies in this account to the office of tourism which, in consultation with a consortium of destination marketing organizations in the county in which the tourism and sports authority is established, shall be spent only to promote tourism within that county and shall not be spent for administrative or overhead expenses.~~

~~(3) Revenues deposited pursuant to section 42-6108.01. The legislature shall appropriate all monies in this account to the office of tourism which, in conjunction with the destination marketing organization in the county in which the tax revenues are collected, shall be spent only to promote tourism within the county and shall not be spent for administration or overhead expenses.~~

~~(4) Revenues deposited pursuant to section 5-601.02(h)(3)(b)(IV). The office of tourism shall administer the account. The account is not subject to appropriation, and expenditures from the fund are not subject to outside approval notwithstanding any statutory provision to the contrary. Monies received pursuant to section 5-601.02 shall be deposited directly with this account. On notice from the office of tourism, the state treasurer may invest and divest monies in the account as provided by section 35-313, and monies earned from investment shall be credited to the account. No monies in the account shall revert to or be deposited in any other fund, including the state general fund. Monies in this account shall supplement, not supplant, current funds in other accounts of the tourism fund. Monies in this account shall be spent only to promote tourism within the state and shall not be used for administrative or overhead expenses.~~

(B) Monies in the fund are exempt from section 35-190 relating to lapsing of appropriations.

41-2306. Tourism fund

A. THE TOURISM FUND IS ESTABLISHED CONSISTING OF SEPARATE ACCOUNTS DERIVED FROM:

(1) REVENUES DEPOSITED PURSUANT TO SECTION 42-5029, SUBSECTION D, PARAGRAPH 4, SUBDIVISION (F). THE LEGISLATURE SHALL APPROPRIATE ALL MONIES IN THIS ACCOUNT TO THE OFFICE OF TOURISM FOR THE PURPOSES OF OPERATIONS AND STATEWIDE TOURISM PROMOTION.

(2) REVENUES DEPOSITED PURSUANT TO SECTION 5-835, SUBSECTION (B)OR(C). THE LEGISLATURE SHALL APPROPRIATE ALL MONIES IN THIS ACCOUNT TO THE OFFICE OF TOURISM WHICH, IN CONSULTATION WITH

21:01 WA 6-3ED1107

A CONSORTIUM OF DESTINATION MARKETING ORGANIZATIONS IN THE COUNTY IN WHICH THE TOURISM AND SPORTS AUTHORITY IS ESTABLISHED, SHALL BE SPENT ONLY TO PROMOTE TOURISM WITHIN THAT COUNTY AND SHALL NOT BE SPENT FOR ADMINISTRATIVE OR OVERHEAD EXPENSES.

(3) REVENUES DEPOSITED PURSUANT TO SECTION 42-6108.01. THE LEGISLATURE SHALL APPROPRIATE ALL MONIES IN THIS ACCOUNT TO THE OFFICE OF TOURISM WHICH, IN CONJUNCTION WITH THE DESTINATION MARKETING ORGANIZATION IN THE COUNTY IN WHICH THE TAX REVENUES ARE COLLECTED, SHALL BE SPENT ONLY TO PROMOTE TOURISM WITHIN THE COUNTY AND SHALL NOT BE SPENT FOR ADMINISTRATION OR OVERHEAD EXPENSES.

(4) REVENUES DEPOSITED PURSUANT TO SECTION 5-601.02(H)(3)(B)(IV). THE OFFICE OF TOURISM SHALL ADMINISTER THE ACCOUNT. THE ACCOUNT IS NOT SUBJECT TO APPROPRIATION, AND EXPENDITURES FROM THE FUND ARE NOT SUBJECT TO OUTSIDE APPROVAL NOTWITHSTANDING ANY STATUTORY PROVISION TO THE CONTRARY. MONIES RECEIVED PURSUANT TO SECTION 5-601.02 SHALL BE DEPOSITED DIRECTLY WITH THIS ACCOUNT. ON NOTICE FROM THE OFFICE OF TOURISM, THE STATE TREASURER MAY INVEST AND DIVEST MONIES IN THE ACCOUNT AS PROVIDED BY SECTION 35-313, AND MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE ACCOUNT. NO MONIES IN THE ACCOUNT SHALL REVERT TO OR BE DEPOSITED IN ANY OTHER FUND, INCLUDING THE STATE GENERAL FUND. MONIES IN THIS ACCOUNT SHALL SUPPLEMENT, NOT SUPPLANT, CURRENT FUNDS IN OTHER ACCOUNTS OF THE TOURISM FUND. MONIES IN THIS ACCOUNT SHALL BE SPENT ONLY TO PROMOTE TOURISM WITHIN THE STATE AND SHALL NOT BE USED FOR ADMINISTRATIVE OR OVERHEAD EXPENSES.

(5) REVENUES DEPOSITED PURSUANT TO SECTION 5-605.01(H)(6) AND SECTION 5-605.01(I)(6). THE OFFICE OF TOURISM SHALL ADMINISTER THE ACCOUNT. THE ACCOUNT IS NOT SUBJECT TO APPROPRIATION, AND EXPENDITURES FROM THE FUND ARE NOT SUBJECT TO OUTSIDE APPROVAL NOT WITHSTANDING ANY STATUTORY PROVISION TO THE CONTRARY. MONIES RECEIVED PURSUANT TO SECTION 5-605.01 SHALL BE DEPOSITED IN A SEPARATE ACCOUNT. ON NOTICE FROM THE OFFICE OF TOURISM, THE STATE TREASURER MAY INVEST AND DIVEST MONIES IN THE ACCOUNT AS PROVIDED BY SECTION 35-313, AND MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE ACCOUNT. MONIES IN THE ACCOUNT MAY REVERT TO OR BE DEPOSITED IN THE STATE GENERAL FUND PURSUANT TO 5-605.01(K)(1)(2), AND (L)(1). MONIES IN THIS ACCOUNT SHALL BE SPENT ONLY TO PROMOTE TOURISM WITHIN THE STATE. TWENTY PERCENT (20%) OF ALL FUNDS COLLECTED PURSUANT TO THIS SECTION MAY BE USED FOR ADMINISTRATIVE OR OVERHEAD EXPENSES.

(B) MONIES IN THE FUND ARE EXEMPT FROM SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

(G) Section 15-1853 subsection (A) paragraph (4) Arizona Revised Statutes is amended to read:

15-1853. Funding; federal monies; postsecondary education fund

A. The postsecondary education fund is established consisting of:

1. Monies appropriated by the legislature.
2. Monies received from state agencies and political subdivisions of this state.
3. Monies received from the United States government, including monies received from the United States department of education pursuant to subsection B of this section.
4. ~~Gifts, grants and donations received from any private source to carry out the duties and responsibilities of the commission.~~

Section 15-1853. Funding; federal monies; postsecondary education fund

A. THE POSTSECONDARY EDUCATION FUND IS ESTABLISHED CONSISTING OF:

- 1. MONIES APPROPRIATED BY THE LEGISLATURE.**
- 2. MONIES RECEIVED FROM STATE AGENCIES AND POLITICAL SUBDIVISIONS OF THIS STATE.**
- 3. MONIES RECEIVED FROM THE UNITED STATES GOVERNMENT, INCLUDING MONIES RECEIVED FROM THE UNITED STATES DEPARTMENT OF EDUCATION PURSUANT TO SUBSECTION B OF THIS SECTION.**
- 4. GIFTS, GRANTS, DONATIONS AND STATUTORY GAMING CONTRIBUTIONS RECEIVED FROM ANY PRIVATE SOURCE TO CARRY OUT THE DUTIES AND RESPONSIBILITIES OF THE COMMISSION.**

(H) Section 36-774(A) Arizona Revised Statutes is amended to read:

36-774. Medically needy account; definition

~~A. Seventy cents of each dollar in the tobacco tax and health care fund shall be deposited in the medically needy account to provide health care services to persons who are determined to be eligible for services pursuant to section 36-2901.01 to 36-2901.04 as provided by the Arizona health care cost containment system pursuant to chapter 29, article 1 of this title or any expansion of that program or any substantially equivalent or expanded successor program established by the legislature providing health care services to persons who cannot afford those services and for whom there would otherwise be no coverage. These services shall include preventive care and the treatment of catastrophic illness or injury, as provided by the Arizona health care cost containment system.~~

B. The Arizona health care cost containment system administration or any successor shall administer the account.

C. Monies that are deposited in the medically need account:

1. Shall only be used to supplement monies that are appropriated by the legislature for the purpose of providing levels of service that are established pursuant to chapter 29, article 1 of this title to eligible persons as defined in section 36-2901 or any expansion of those levels of service, or for any successor program established by the legislature providing levels of service that are substantially equivalent to, or expanding, those provided pursuant to chapter 29, article 1 of this title to eligible persons.

2. Shall not be used to supplant monies that are appropriated by the legislature for the purpose of providing levels of service established pursuant to chapter 29, article 1 of this title.

D. For purposes of this section, "levels of service," means the provider payment methodology, eligibility criteria and covered services established pursuant to chapter 29, article 1 of this title in effect on July 1, 1993.

SECTION 36-774(A) MEDICALLY NEEDY ACCOUNT; DEFINITION

A. SEVENTY CENTS OF EACH DOLLAR IN THE TOBACCO TAX AND HEALTH CARE FUND AND ONE-HUNDRED CENTS OF EACH DOLLAR CONTRIBUTED TO THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM OR ORGAN TRANSPLANT ASSISTANCE FUND DEPOSITED IN A SEPARATE ACCOUNT PURSUANT TO SECTION 5-605.01(H)(8) AND SECTION 5-605.01(I)(8), SHALL BE DEPOSITED IN THE MEDICALLY NEEDY ACCOUNT TO PROVIDE HEALTH CARE SERVICES TO PERSONS WHO ARE DETERMINED TO BE ELIGIBLE FOR SERVICES PURSUANT TO SECTION 36-2901.01 TO 36-2901.04 AS PROVIDED BY THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM PURSUANT TO CHAPTER 29, ARTICLE 1 OF THIS TITLE OR ANY EXPANSION OF THAT PROGRAM OR ANY SUBSTANTIALLY EQUIVALENT OR EXPANDED SUCCESSOR PROGRAM ESTABLISHED BY THE LEGISLATURE PROVIDING HEALTH CARE SERVICES TO PERSONS WHO CANNOT AFFORD THOSE SERVICES AND FOR WHOM THERE WOULD OTHERWISE BE NO COVERAGE. THESE SERVICES SHALL INCLUDE

PREVENTIVE CARE AND THE TREATMENT OF CATASTROPHIC ILLNESS OR INJURY, AS PROVIDED BY THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM.

(I) Section 41-608(A) Arizona Revised Statutes is amended to read:

41-608. Veterans' donations fund

~~A. The veterans' donations fund is established consisting of monies, gifts, and contributions donated to the department and monies deposited pursuant to sections 28-2414, 28-2428, 28-2431, 28-2447, 28-2453, 28-2454, 28-2455 and 43-620. The department shall administer the fund. The first thirty-two thousand dollars deposited pursuant to section 28-2447 shall be reimbursed to the fund. Monies in the fund are continuously appropriated. The monies in the fund are exempt from the provisions of section 35-190 relating to lapsing of appropriations.~~

B. The director or the director's designee may solicit and receive donations, including in-kind donations, from the public for veterans. The director shall deposit, pursuant to sections 35-146 and 35-147, the monetary donations in the veterans' donations fund. Monies in the fund are subject to state auditing procedures. Except for monies deposited pursuant to sections 28-2431 and 28-2445, the donations may be used for the benefit of the veterans within this state at the discretion of the director and shall be used to pay the department of transportation thirty-two thousand dollars to issue women veteran special plates pursuant to section 28-2447. The director may donate monies from the fund to organizations seeking to establish a monument or memorial on public property that recognizes or honors veterans or recognizes events in which veterans were major participants or had a major influence.

C. The director shall establish a separate subaccount in the veterans' donations fund for the deposit of monies received pursuant to section 28-2431, subsection C. The monies in the subaccount shall be used for the construction and maintenance of the enduring freedom authorized pursuant to section 41-1363 for placement in Wesley Bolin Plaza.

D. The director shall establish a separate subaccount in the veterans' donations fund for the deposit of monies received pursuant to section 28-2447, subsection C. The monies in the subaccount shall be used, at the discretion of the director, for the benefit of women veterans in this state, including providing shelter to homeless women veterans.

E. The director shall inventory and account for the use of any tangible personal property donated to the fund.

F. On notice from the director, the state treasurer shall invest and divest monies in the fund as provided by section 35-313, and monies earned from investment shall be credited to the fund.

Section 41-608 Veterans' donations fund

A. THE VETERANS' DONATIONS FUND IS ESTABLISHED CONSISTING OF MONIES, GIFTS, AND CONTRIBUTIONS DONATED TO THE DEPARTMENT AND MONIES DEPOSITED PURSUANT TO SECTIONS 28-2414, 28-2428, 28-2431, 28-2447, 28-2453, 28-2454, 28-2455, 43-620 AND FUNDS DEPOSITED IN A SEPARATE ACCOUNT PURSUANT TO SECTIONS 5-605.01(H)(11) AND 5-605.01(I)(11). THE DEPARTMENT SHALL ADMINISTER THE FUND. THE FIRST THIRTY-TWO THOUSAND DOLLARS DEPOSITED PURSUANT TO SECTION 28-2447 SHALL BE REIMBURSED TO THE FUND. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED. THE MONIES IN THE FUND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

(J) Section 8-503.01 Arizona Revised Statutes is amended to read:

8-503.01. Children and family services training program fund; purposes; status report; exemption from lapsing

~~A. The division shall establish a children and family services training program fund consisting of monies received pursuant to sections 8-243.01 and 8-807. Subject to legislative appropriation, the fund monies shall be used to enhance the collection of monies owed the department of economic security pursuant to section 8-243 and to administer a children and family services training program for the training of child protective services workers, public employees in related program services and employees of child welfare agencies and community treatment programs that, in the judgment of the director of the department, would benefit from staff training. However, the department shall not use fund monies to pay any portion of training program staff salaries and training program staff expenses. The department shall use monies collected under section 8-807 only to reimburse the department for the labor, editing and copying charges related to that section.~~

~~B. The director shall include in the annual report required under section 41-1960 a status report on and an evaluation of the children and family services training program.~~

~~C. Ninety per cent of the monies collected under the provisions of this section shall be deposited in the children and family services training program fund, not more than ten percent of which shall be used to enhance the collection of monies owed the department of economic security pursuant to section 8-243. The remaining ten percent of the monies collected shall be deposited in the general fund of the state.~~

Section 8-503.01. Children and family services training program fund; purposes; status report; exemption from lapsing

A. THE DIVISION SHALL ESTABLISH A CHILDREN AND FAMILY SERVICES TRAINING PROGRAM FUND CONSISTING OF MONIES RECEIVED PURSUANT TO SECTIONS 8-243.01 AND 8-807; AND FUNDS DEPOSITED IN A SEPARATE ACCOUNT PURSUANT TO SECTIONS 5-605.01(H)(12)(A)(B) AND 5-605.1(I)(12)(A)(B). SUBJECT TO LEGISLATIVE APPROPRIATION, THE FUND MONIES SHALL BE USED TO ENHANCE THE COLLECTION OF MONIES OWED THE DEPARTMENT OF ECONOMIC SECURITY PURSUANT TO SECTION 8-243 AND TO ADMINISTER A CHILDREN AND FAMILY SERVICES TRAINING PROGRAM FOR THE TRAINING OF CHILD PROTECTIVE SERVICES WORKERS, PUBLIC EMPLOYEES IN RELATED PROGRAM SERVICES AND EMPLOYEES OF CHILD WELFARE AGENCIES AND COMMUNITY TREATMENT PROGRAMS THAT, IN THE JUDGMENT OF THE DIRECTOR OF THE DEPARTMENT, WOULD BENEFIT FROM STAFF TRAINING. HOWEVER, THE DEPARTMENT SHALL NOT USE FUND MONIES TO PAY ANY PORTION OF TRAINING PROGRAM STAFF SALARIES AND TRAINING PROGRAM STAFF EXPENSES. THE DEPARTMENT SHALL USE MONIES COLLECTED UNDER SECTION 8-807 ONLY TO REIMBURSE THE DEPARTMENT FOR THE LABOR, EDITING AND COPYING CHARGES RELATED TO THAT SECTION.

B. MONIES COLLECTED PURSUANT TO SECTIONS 5-605.02(H)(12)(A)(B) AND 5-605.1(I)(12)(A)(B) SHALL BE DEPOSITED IN A SEPARATE ACCOUNT ENTITLED THE CHILD PROTECTIVE SERVICES, FOSTER CARE, AND ADOPTIONS FUND AND SHALL BE USED FOR PURPOSES DESCRIBED IN THAT SECTION. THE DIRECTOR SHALL INCLUDE IN AN ANNUAL REPORT DETAILING THE USE OF ALL FUNDS IN THIS ACCOUNT. FUNDS ARE NOT SUBJECT TO LEGISLATIVE APPROPRIATION AND ARE CONTINUOUSLY APPROPRIATED AND EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

C. THE DIRECTOR SHALL INCLUDE IN THE ANNUAL REPORT REQUIRED UNDER SECTION 41-1960 A STATUS REPORT ON AND AN EVALUATION OF THE CHILDREN AND FAMILY SERVICES TRAINING PROGRAM.

D. NINETY PER CENT OF THE MONIES COLLECTED UNDER THE PROVISIONS OF THIS SECTION SHALL BE DEPOSITED IN THE CHILDREN AND FAMILY SERVICES TRAINING PROGRAM FUND, NOT MORE THAN TEN PERCENT OF WHICH SHALL BE USED TO ENHANCE THE COLLECTION OF MONIES OWED THE DEPARTMENT OF ECONOMIC SECURITY PURSUANT TO SECTION 8-243. THE REMAINING TEN PERCENT OF THE MONIES COLLECTED SHALL BE DEPOSITED IN THE GENERAL FUND OF THE STATE.

(K) Title 41, Chapter 10, Article 1, Section 41-1505.12 Arizona Revised Statutes, is amended as follows:

Section 41-1505.12. Commerce and Economic Development Commission Local Communities Fund

~~(A) The Commerce and Economic Development Commission Local Communities Fund is established consisting of monies deposited pursuant to sections 5-601.02(h)(4)(b), 5-601.02(i)(6)(b)(VII), and interest earned on those monies. The director shall administer the fund. The fund is not subject to appropriation, and expenditures from the fund are not subject to outside approval notwithstanding any statutory provision to the contrary.~~

~~(B) Monies received pursuant to sections 5-601.02(h)(4)(b), 5-601.02(i)(6)(b)(VII), shall be deposited directly with the commerce and economic development commission local communities fund. On notice from the department of commerce, the state treasurer may invest and divest monies in the fund as provided by section 35-313, and monies earned from investment shall be credited to the fund. No monies in the commerce and economic development commission local communities fund shall revert to or be deposited in any other fund, including the state general fund. Monies in the commerce and economic development commission local communities fund are exempt from the provisions of section 35-190 relating to the lapsing of appropriations. Monies provided from the commerce and economic development commission local communities fund shall supplement, not supplant, existing monies.~~

~~(C) All monies in the fund shall be used by the commission to provide grants to cities, towns and counties as defined in Title 11, Arizona Revised Statutes, for government services that benefit the general public, including public safety, mitigation of impacts of gaming, or promotion of commerce and economic development. All grant applications must have a written endorsement of a nearby Indian Tribe to receive an award of funds from the commission.~~

Section 41-1505.12. COMMERCE AND ECONOMIC DEVELOPMENT COMMISSION LOCAL COMMUNITIES FUND

(A) THE COMMERCE AND ECONOMIC DEVELOPMENT COMMISSION LOCAL COMMUNITIES FUND IS ESTABLISHED CONSISTING OF MONIES DEPOSITED PURSUANT TO SECTIONS 5-601.02(H)(4)(B), 5-601.02(I)(6)(B)(VII), AND SECTION 5-605.01(I)(14) AND INTEREST EARNED ON THOSE MONIES. THE DIRECTOR SHALL ADMINISTER THE FUND. THE FUND IS NOT SUBJECT TO APPROPRIATION, AND EXPENDITURES FROM THE FUND ARE NOT SUBJECT TO OUTSIDE APPROVAL NOTWITHSTANDING ANY STATUTORY PROVISION TO THE CONTRARY.

(B) MONIES RECEIVED PURSUANT TO SECTIONS 5-601.02(H)(4)(B), 5-601.02(I)(6)(B)(VII), AND FUNDS DEPOSITED IN A SEPARATE ACCOUNT PURSUANT TO SECTION 5-605.01(I)(14) SHALL BE DEPOSITED DIRECTLY WITH THE COMMERCE AND ECONOMIC DEVELOPMENT COMMISSION LOCAL COMMUNITIES FUND. ON NOTICE FROM THE DEPARTMENT OF COMMERCE, THE STATE TREASURER MAY INVEST AND DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND. NO MONIES IN THE COMMERCE AND ECONOMIC DEVELOPMENT COMMISSION LOCAL COMMUNITIES FUND SHALL REVERT TO OR BE DEPOSITED IN ANY OTHER FUND,

2011 DEC -9 AM 10:13

INCLUDING THE STATE GENERAL FUND. MONIES IN THE COMMERCE AND ECONOMIC DEVELOPMENT COMMISSION LOCAL COMMUNITIES FUND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO THE LAPSING OF APPROPRIATIONS. MONIES PROVIDED FROM THE COMMERCE AND ECONOMIC DEVELOPMENT COMMISSION LOCAL COMMUNITIES FUND SHALL SUPPLEMENT, NOT SUPPLANT, EXISTING MONIES.

(C) ALL MONIES IN THE FUND SHALL BE USED BY THE COMMISSION TO PROVIDE GRANTS TO CITIES, TOWNS AND COUNTIES AS DEFINED IN TITLE 11, ARIZONA REVISED STATUTES, FOR GOVERNMENT SERVICES THAT BENEFIT THE GENERAL PUBLIC, INCLUDING PUBLIC SAFETY, MITIGATION OF IMPACTS OF GAMING, OR PROMOTION OF COMMERCE AND ECONOMIC DEVELOPMENT. ~~All grant applications must have a written endorsement of a nearby Indian Tribe to receive an award of funds from the commission.~~

(L) Section 15-977(A) Arizona Revised Statutes is amended to read:

Section 15-977. Classroom site fund; definitions

~~A. The classroom site fund is established consisting of monies transferred to the fund pursuant to section 37-521, subsection B and section 42-5029, subsection E, paragraph 10. The department of education shall administer the fund. School districts and charter schools may not supplant existing school site funding with revenues from the fund. All monies distributed from the fund are intended for use at the school site. Each school district or charter school shall allocate forty per cent of the monies for teacher compensation increases based on performance and employment related expenses, twenty per cent of the monies for teacher base salary increases and employment related expenses and forty per cent of the monies for maintenance and operation purposes as prescribed in subsection H of this section. Teacher compensation increases based on performance or teacher base salary increases distributed pursuant to this subsection shall supplement, and not supplant, teacher compensation monies from any other sources. The school district or charter school shall notify each principal of the amount available to the school by April 15 of each year. The school district or charter school shall request from the school's principal each school's priority for the allocation of the funds available to the school each program listed under subsection H of this section. The amount budgeted by the school district or charter school pursuant to this section shall not be included in the allowable budget balance carryforward calculated pursuant to section 15-943.01.~~

Section 15-977(A). Classroom site fund; definitions

A. THE CLASSROOM SITE FUND IS ESTABLISHED CONSISTING OF MONIES TRANSFERRED TO THE FUND PURSUANT TO SECTION 37-521, SUBSECTION B AND SECTION 42-5029, SUBSECTION E, PARAGRAPH 10 AND FUNDS DEPOSITED IN A SEPARATE ACCOUNT PURSUANT TO SECTION 5-605.01(I)(13). THE DEPARTMENT OF EDUCATION SHALL ADMINISTER THE FUND. SCHOOL DISTRICTS AND CHARTER SCHOOLS MAY NOT SUPPLANT EXISTING SCHOOL SITE FUNDING WITH REVENUES FROM THE FUND. ALL MONIES DISTRIBUTED FROM THE FUND ARE INTENDED FOR USE AT THE SCHOOL SITE. EACH SCHOOL DISTRICT OR CHARTER SCHOOL SHALL ALLOCATE FORTY PER CENT OF THE MONIES FOR TEACHER COMPENSATION INCREASES BASED ON PERFORMANCE AND EMPLOYMENT RELATED EXPENSES, TWENTY PER CENT OF THE MONIES FOR TEACHER BASE SALARY INCREASES AND EMPLOYMENT RELATED EXPENSES AND FORTY PER CENT OF THE MONIES FOR MAINTENANCE AND OPERATION PURPOSES AS PRESCRIBED IN SUBSECTION H OF THIS SECTION. TEACHER COMPENSATION INCREASES BASED ON PERFORMANCE OR TEACHER BASE SALARY INCREASES DISTRIBUTED PURSUANT TO THIS SUBSECTION SHALL SUPPLEMENT, AND NOT SUPPLANT, TEACHER COMPENSATION MONIES FROM ANY OTHER SOURCES. THE SCHOOL DISTRICT OR CHARTER

SCHOOL SHALL NOTIFY EACH PRINCIPAL OF THE AMOUNT AVAILABLE TO THE SCHOOL BY APRIL 15 OF EACH YEAR. THE DISTRICT OR CHARTER SCHOOL SHALL REQUEST FROM THE SCHOOL'S PRINCIPAL EACH SCHOOL'S PRIORITY FOR THE ALLOCATION OF THE FUNDS AVAILABLE TO THE SCHOOL EACH PROGRAM LISTED UNDER SUBSECTION H OF THIS SECTION. THE AMOUNT BUDGETED BY THE SCHOOL DISTRICT OR CHARTER SCHOOL PURSUANT TO THIS SECTION SHALL NOT BE INCLUDED IN THE ALLOWABLE BUDGET BALANCE CARRYFORWARD CALCULATED PURSUANT TO SECTION 15-943.01.

SECTION 7. DEFINITIONS.

(A) "GAMING DEVICE" MEANS A MECHANICAL DEVICE, AN ELECTRO-MECHANICAL DEVICE OR A DEVICE CONTROLLED BY AN ELECTRONIC MICROPROCESSOR OR ANOTHER MANNER, WHETHER THAT DEVICE CONSTITUTES CLASS II GAMING OR CLASS III GAMING, THAT ALLOWS A PLAYER OR PLAYERS TO PLAY GAMES OF CHANCE, WHETHER OR NOT THE OUTCOME ALSO IS AFFECTED IN SOME PART BY SKILL, AND WHETHER THE DEVICE ACCEPTS COINS, TOKENS, BILLS, COUPONS, TICKET VOUCHERS, PULL TABS, SMART CARDS, ELECTRONIC IN-HOUSE ACCOUNTING SYSTEM CREDITS OR OTHER SIMILAR FORMS OF CONSIDERATION AND, THROUGH THE APPLICATION OF CHANCE, ALLOWS A PLAYER TO BECOME ENTITLED TO A PRIZE, WHICH MAY BE COLLECTED THROUGH THE DISPENSING OF COINS, TOKENS, BILLS, COUPONS, TICKET VOUCHES, SMART CARDS, ELECTRONIC IN-HOUSE ACCOUNTING SYSTEM CREDITS OR OTHER SIMILAR FORMS OF VALUE. GAMING DEVICE DOES NOT INCLUDE ANY OF THE FOLLOWING:

(1) THOSE TECHNOLOGICAL AIDS FOR BINGO GAMES THAT FUNCTION ONLY AS ELECTRONIC SUBSTITUTES FOR BINGO CARDS.

(2) DEVICES THAT ISSUE AND VALIDATE PAPER LOTTERY PRODUCTS AND THAT ARE DIRECTLY OPERATED ONLY BY ARIZONA STATE LOTTERY LICENSED RETAILERS AND THEIR EMPLOYEES.

(3) DEVICES THAT ARE OPERATED DIRECTLY BY A LOTTERY PLAYER AND THAT DISPENSE PAPER LOTTERY TICKETS, IF THE DEVICES DO NOT IDENTIFY WINNING OR LOSING LOTTERY TICKETS, DISPLAY LOTTERY WINNINGS OR DISBURSE LOTTERY WINNINGS.

(4) DEVICES THAT ARE OPERATED DIRECTLY BY A LOTTERY PLAYER AND THAT VALIDATE PAPER LOTTERY TICKETS FOR A GAME THAT DOES NOT HAVE A PREDETERMINED NUMBER OF WINNING TICKETS, IF:

(A) THE DEVICES DO NOT ALLOW INTERACTIVE GAMING;

(B) THE DEVICES DO NOT ALLOW A LOTTERY PLAYER TO PLAY THE LOTTERY FOR IMMEDIATE PAYMENT OR REWARD;

(C) THE DEVICES DO NOT DISBURSE LOTTERY WINNINGS; AND

(D) THE DEVICES ARE NOT VIDEO LOTTERY TERMINALS.

(5) PLAYER ACTIVATED LOTTERY TERMINALS."

(B) "CARD GAME TABLE" MEANS A SINGLE TABLE AT WHICH THE CASINO CONDUCTS THE CARD GAME OF POKER OR BLACKJACK.

(C) "GAMING TABLE" MEANS A SINGLE TABLE AT WHICH BACCARAT, ROULETTE, OR DICE/CRAPS ARE PLAYED.

(D) "CLASS II GAMING DEVICE" MEANS A GAMING DEVICE WHICH, IF OPERATED ON PRIVATE PROPERTY BY A LICENSED CORPORATE CASINO OR RACETRACK CASINO WITH A STATE CONTRACT WOULD BE CLASS II GAMING.

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SECRETARY OF STATE

(E) "CLASS III GAMING DEVICE" MEANS A GAMING DEVICE WHICH IF OPERATED ON PRIVATE PROPERTY BY A LICENSED CORPORATE CASINO OR RACETRACK CASINO WITH A STATE CONTRACT WOULD BE CLASS III GAMING.

(F) "CLASS III NET WIN" MEANS GROSS GAMING REVENUE, WHICH IS THE DIFFERENCE BETWEEN GAMING WINS AND LOSSES, BEFORE DEDUCTING COSTS AND EXPENSES (INCLUDING ARIZONA INVESTORS' BI-ANNUAL PROFIT SHARING PAYMENTS).

(G) "CPI ADJUSTMENT RATE" SHALL MEAN THE QUOTIENT OBTAINED AS FOLLOWS: THE CPI INDEX FOR THE SIXTIETH (60th) CALENDAR MONTH OF THE APPLICABLE FIVE-YEAR PERIOD FOR WHICH THE WAGER LIMITATIONS ARE BEING ADJUSTED SHALL BE DIVIDED BY THE CPI INDEX FOR THE CALENDAR MONTH IN WHICH THE EFFECTIVE DATE OCCURS. THE CPI INDEX FOR THE NUMERATOR AND THE DENOMINATOR SHALL HAVE THE SAME BASE YEAR. IF THE CPI INDEX IS NO LONGER PUBLISHED, OR IF THE FORMAT OF THE CPI INDEX HAS CHANGED SO THAT THIS CALCULATION IS NO LONGER POSSIBLE, THEN ANOTHER SUBSTANTIALLY COMPARABLE INDEX SHALL BE SUBSTITUTED IN THE FORMULA BY AGREEMENT OF THE CASINO AND THE STATE SO THAT THE ECONOMIC EFFECT OF THIS CALCULATION IS PRESERVED.

(H) "CPI INDEX" MEANS THE "UNITED STATES CITY AVERAGE (ALL URBAN CONSUMERS) – ALL ITEMS (2006-2008 = 100)" INDEX OF THE CONSUMER PRICE INDEX PUBLISHED BY THE BUREAU OF LABOR STATISTICS, UNITED STATES DEPARTMENT OF LABOR.

(I) "POPULATION ADJUSTMENT RATE" MEANS THE QUOTIENT OBTAINED AS FOLLOWS: THE STATE POPULATION FOR THE CALENDAR YEAR IMMEDIATELY PRECEDING THE CALENDAR YEAR IN WHICH THE SIXTIETH (60th) CALENDAR MONTH OF THE APPLICABLE FIVE (5) YEAR PERIOD FOR WHICH THE APPLICABLE FIGURE OR AMOUNT IS BEING ADJUSTED OCCURS DIVIDED BY THE STATE POPULATION FOR THE CALENDAR YEAR IMMEDIATELY PRECEDING THE CALENDAR YEAR IN WHICH THE EFFECTIVE DATE OCCURS. IF THE STATE POPULATION IS NO LONGER PUBLISHED OR CALCULATED BY THE ARIZONA DEPARTMENT OF ECONOMIC SECURITY, THEN ANOTHER SUBSTANTIALLY COMPARABLE AGENCY OF THE STATE SHALL BE SUBSTITUTED BY THE ARIZONA DEPARTMENT OF GAMING SO THAT THE EFFECT OF THIS CALCULATION IS PRESERVED.

(J) "STATE POPULATION" MEANS THE POPULATION OF THE STATE AS DETERMINED USING THE MOST RECENT ESTIMATES PUBLISHED BY THE ARIZONA DEPARTMENT OF ECONOMIC SECURITY.

(K) "CURRENT GAMING DEVICE ALLOCATION" MEANS THE NUMBER OF CLASS III GAMING DEVICES ALLOCATED TO THE CASINO.

(L) "EFFECTIVE DATE" MEANS THE DAY THIS CONTRACT GOES INTO EFFECT AFTER ALL OF THE FOLLOWING EVENTS HAVE OCCURRED:

- (1) IT IS APPROVED BY THE ARIZONA DEPARTMENT OF GAMING;
- (2) IT IS EXECUTED ON BEHALF OF THE STATE AND THE CASINO; AND
- (3) NOTICE IS PUBLISHED BY THE ARIZONA DEPARTMENT OF GAMING.

(M) "TRANSFER AGREEMENT" MEANS A WRITTEN AGREEMENT AUTHORIZING THE TRANSFER OF GAMING DEVICE OPERATING RIGHTS, OR THE TRANSFER OF CARD GAME TABLE ALLOCATIONS, OR THE TRANSFER OF GAMING TABLE ALLOCATION, OR ALL, OR A COMBINATION OF THE ABOVE FROM AN ARIZONA SOVEREIGN NATION TO A CORPORATE OR RACETRACK CASINO, OR TRANSFER AGREEMENTS INVOLVING INDIVIDUAL CORPORATE CASINOS AND INDIVIDUAL RACETRACK CASINOS.

(N) "FOREBEARANCE AGREEMENT" MEANS AN AGREEMENT BETWEEN THE STATE, AN INDIAN CASINO, CORPORATE CASINO OR RACETRACK CASINO IN WHICH THE INDIAN CASINO, CORPORATE CASINO OR

RACETRACK CASINO THAT IS TRANSFERRING SOME OR ALL OF IT'S GAMING DEVICE OPERATING RIGHTS WAIVES IT'S RIGHT TO PUT SUCH GAMING DEVICE OPERATING RIGHTS INTO PLAY DURING THE TERM OF A TRANSFER AGREEMENT.

(O) "TRANSFER NOTICE" MEANS A WRITTEN NOTICE THAT THE TRIBE, CORPORATE, OR RACETRACK CASINO MUST PROVIDE TO THE ARIZONA DEPARTMENT OF GAMING OF ITS INTENT TO ACQUIRE OR TRANSFER GAMING DEVICE OPERATING RIGHTS OR CARD GAME TABLE ALLOCATION RIGHTS PURSUANT TO A TRANSFER AGREEMENT.

(P) "GAMING DEVICE OPERATING RIGHT" MEANS THE AUTHORIZATION OF A CORPORATE CASINO AND A RACETRACK CASINO TO OPERATE CLASS III GAMING DEVICES PURSUANT TO THE TERMS OF A NEW CONTRACT AS DEFINED IN A.R.S. SECTION 5-605.01.

(Q) "MAXIMUM DEVICES PER GAMING FACILITY" MEANS THE TOTAL NUMBER OF CLASS III GAMING DEVICES THAT THE CASINO MAY OPERATE WITHIN A SINGLE GAMING FACILITY.

(R) "MULTI-STATION DEVICE" MEANS AN ELECTRONIC CLASS III GAMING DEVICE THAT INCORPORATES MORE THAN ONE PLAYER STATION AND CONTAINS ONE CENTRAL PROCESSING UNIT WHICH OPERATES THE GAME SOFTWARE, INCLUDING A SINGLE RANDOM NUMBER GENERATOR THAT DETERMINES THE OUTCOME OF ALL GAMES AT ALL PLAYER STATIONS FOR THAT CLASS III GAMING DEVICE.

(S) "PLAYER ACTIVATED LOTTERY TERMINAL" MEANS AN ON-LINE COMPUTER SYSTEM THAT IS PLAYER ACTIVATED, BUT THAT DOES NOT PROVIDE THE PLAYER WITH INTERACTIVE GAMING, AND THAT USES THE TERMINAL FOR DISPENSING PURPOSES ONLY, IN WHICH:

- (1) THE TERMINAL ALGORITHM IS USED FOR THE RANDOM GENERATION OF NUMBERS;
- (2) THE TICKETS DISPENSED BY THE TERMINAL DO NOT ALLOW THE PLAYER THE MEANS TO PLAY DIRECTLY AGAINST THE TERMINAL;
- (3) THE PLAYER USES THE DISPENSED TICKET TO PARTICIPATE IN AN OFF-SITE RANDOM DRAWING; AND
- (4) THE PLAYER'S ABILITY TO PLAY AGAINST THE TERMINAL FOR IMMEDIATE PAYMENT OR REWARD IS ELIMINATED.

(T) "PLAYER STATION" MEANS A TERMINAL OF A MULTI-STATION DEVICE THROUGH WHICH THE PLAYER PLAYS AN ELECTRONIC GAME OF CHANCE SIMULTANEOUSLY WITH OTHER PLAYERS AT OTHER PLAYER STATIONS OF THAT MULTI-STATION DEVICE, AND WHICH:

- (1) HAS NO MEANS TO INDIVIDUALLY DETERMINE GAME OUTCOME;
- (2) CANNOT BE DISCONNECTED FROM THE GAMING DEVICE CENTRAL PROCESSING UNIT THAT DETERMINES THE GAME OUTCOMES FOR ALL PLAYER STATIONS WITHOUT RENDERING THAT TERMINAL INOPERABLE; AND
- (3) DOES NOT SEPERATELY CONTAIN A RANDOM NUMBER GENERATOR OR OTHER MEANS TO INDIVIDUALLY DETERMINE THE GAME OUTCOME.

(U) "WAGER" MEANS:

(1) IN THE CASE OF A GAMING DEVICE, THE SUM OF MONEY PLACED INTO THE GAMING DEVICE IN CASH, OR CASH EQUIVALENT, BY THE PLAYER WHICH WILL ALLOW ACTIVATION OF THE NEXT RANDOM PLAY OF THE GAMING DEVICE.

(2) IN THE CASE OF POKER, THE SUM OF MONEY PLACED INTO THE POT AND ONTO THE CARD GAME TABLE BY THE PLAYER IN CASH, OR CASH EQUIVALENT, WHICH ENTITLES THE PLAYER TO AN INITIAL DEAL OF

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CARDS, A SUBSEQUENT DEAL OF A CARD OR CARDS, OR WHICH IS REQUIRED TO BE PLACED INTO THE POT AND ONTO THE CARD GAME TABLE BY THE PLAYER ENTITLING THE PLAYER TO CONTINUE IN THE GAME.

(3) IN THE CASE OF BLACKJACK, THE SUM OF MONEY IN CASH, OR CASH EQUIVALENT, PLACED ONTO THE CARD TABLE BY THE PLAYER ENTITLING THE PLAYER TO AN INITIAL DEAL OF CARDS AND TO ALL SUBSEQUENT CARDS REQUESTED BY THE PLAYER.

(V) "GAMING FACILITY" OR "FACILITY" MEANS ANY BUILDING IN WHICH GAMING ACTIVITIES OR ANY GAMING OPERATIONS OCCUR, OR IN WHICH THE BUSINESS RECORDS, RECEIPTS, OR OTHER FUNDS OF THE GAMING OPERATION ARE MAINTAINED (EXCLUDING OFFSITE FACILITIES DEDICATED TO STORAGE OF THOSE RECORDS), AND ALL ROOMS, BUILDINGS, AND AREAS, INCLUDING HOTELS, PARKING LOTS, AND WALKWAYS, A PRINCIPAL

PURPOSE OF WHICH IS TO SERVE THE ACTIVITIES OF THE GAMING OPERATION.

(W) "GAMING OPERATION" MEANS THE BUSINESS ENTERPRISE THAT OFFERS AND OPERATES GAMING ACTIVITIES, WHETHER EXCLUSIVELY OR OTHERWISE.

(X) "COMMITTEE" MEANS THE ORGANIZATION RESPONSIBLE FOR THE PASSAGE OF THIS INITIATIVE AND RESPONSIBLE FOR THE RECOMMENDATIONS MADE TO THE ARIZONA DEPARTMENT OF GAMING FOR THE PROPOSAL OF NEW CORPORATE AND RACETRACK CASINO FACILITIES AND LOCATIONS.

(Y) "GAMING INVESTORS GROUP" MEANS A PRIVATE CITIZENS INVESTORS CLUB WHOSE SOLE PURPOSE IT IS TO INVEST IN ANY NEW CORPORATE OR RACETRACK CASINOS DEVELOPED AS A RESULT OF THIS INITIATIVE MEASURE.

(Z) "GAMING INVESTMENT GROUP" MEANS A PRIVATE CITIZENS INVESTMENT CLUB WHOSE SOLE PURPOSE IT IS TO SEEK INVESTORS BOTH INSIDE AND OUTSIDE OF ARIZONA TO PARTNER WITH RESIDENTS OF ARIZONA TO CONSTRUCT, OPERATE AND MANAGE ANY NEW CORPORATE AND RACETRACK CASINOS DEVELOPED AS A RESULT OF THIS INITIATIVE MEASURE.

(AA) "CITIZENS SELECTION COMMITTEE" MEANS THE SELECTED CITIZEN MEMBERS OF "ARIZONANS FOR FAIR GAMING" RESPONSIBLE FOR DECIDING WHICH CORPORATE CASINOS MEET THE CRITERIA FOR INCLUSION ON THE ACCEPTED LIST OF CASINOS TO BE FORWARDED TO THE ARIZONA DEPARTMENT OF GAMING AS THE LICENSING AGENCY.

SECTION 8. RATIFICATION; BLENDING AUTHORITY; CONFLICTS WITH OTHER LAWS; SEVERABILITY.

THE QUALIFIED ELECTORATE OF THE STATE OF ARIZONA HEREBY RATIFIES THIS NEW STANDARD FORM OF PRIVATE GAMING. PURSUANT TO SECTION 41-1304.03 ARIZONA REVISED STATUTES, THE DIRECTOR OF THE ARIZONA LEGISLATIVE COUNCIL MAY COMBINE CHANGES MADE TO THE ARIZONA REVISED STATUTES BY THIS ACT WITH OTHER NON-CONFLICTING CHANGES TO THOSE STATUTES BY OTHER 2012 ENACTMENTS. IF ANY PART OF THIS ACT CONFLICTS WITH ANY LAW OF THIS STATE IN EFFECT AS OF NOVEMBER 5th 2012, THE PROVISIONS OF THIS ACT SHALL PREVAIL IN ALL PARTICULARS AS TO WHICH THERE IS A CONFLICT. IF A PROVISION OF THIS ACT OR ITS APPLICATION TO ANY PERSON, ENTITY OR CIRCUMSTANCE IS HELD INVALID, THE INVALIDITY DOES NOT AFFECT OTHER PROVISIONS OR APPLICATIONS OF THIS ACT THAT CAN BE GIVEN EFFECT WITHOUT THE INVALID PROVISION OR APPLICATION, AND TO THIS END THE PROVISIONS OF THIS INITIATIVE MEASURE ARE DECLARED TO BE SEVERABLE. THIS MEASURE FUNDAMENTALLY CONFLICTS IN ITS ENTIRETY WITH ANY INITIATIVE, REFERENDUM, OR OTHER MEASURE TO BE CONSIDERED BY THE VOTERS OF THE STATE OF ARIZONA AT THE NOVEMBER 6th 2012 ELECTION. IF THIS INITIATIVE RECEIVES MORE VOTES THAN ANY OTHER MEASURE, REFERENDUM, OR OTHER INITIATIVE CONCERNING PRIVATE GAMING OR ANY OTHER GAMING, THE PEOPLE INTEND THAT THIS MEASURE PREVAIL AND TAKE EFFECT IN ITS ENTIRETY AND THAT NO PROVISION OF ANY OTHER SUCH MEASURE CONCERNING PRIVATE GAMING OR OTHER GAMING TAKE EFFECT.

